Daily Report

Latin America

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FBIS-LAT-92-252 *31 December 1992*

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Cuba

Electoral Commission Officers Discuss Results

FL3012171392

[Editorial Report] Havana Cuba Vision Network in Spanish at 0235 GMT on 30 December broadcasts the "Open Agenda" program on the results of the Cuban elections held in two rounds on 20 and 27 December. All figures are as heard.

Program host Antonio Resillez introduces his guests, Juan Aizpurua and Miguel Aguilar, vice president and secretary, respectively, of the National Electoral Commission.

Resillez begins by asking how many Cubans voted in the elections. Aizpurua points out that the potential number of voters was 7,762,958, of whom 7,546,764 (97.2 percent) voted in the first round of the elections in more than 20,600 polling stations throughout the county. Including the results of the second round, a total of 13,865 delegates was elected.

Aguilar notes that on 10 January the municipal assemblies will be formed. There have been some changes in the process of forming these assemblies. The municipal electoral commissions are responsible for convoking the assemblies, and some previous formalities no longer apply. The delegates are sworn in and then elect the assembly president and vice president by direct, secret vote. The secretary is then appointed. The ceremony is open to the public. The candidacy commissions, which present the candidates for president and vice president, are made up of representatives of mass and student organizations and chaired by a representative of the Cuban Workers Federation.

Resillez asks how many candidates were nominated. Aizpurua replies that in the 24,215 places where nominations occurred, 28,474 candidates were nominated, of which 1,879 candidates (13.6 percent) were female, 2,559 (16.3 percent) were young people between 16 and 30 years of age, and 6,396 (46.1 percent) were already delegates. Out of the 24,474 candidates, 13,865 delegates were elected on 20 and 27 December. Of these 13,865 delegates, 6,396 were reelected as delegates, 1,879 are women, and 2,559 are young people between 16 and 30.

Resillez asks if the percentage of women candidates is low. Aguilar comments that since 1976 the average percentage of women candidates has been around 13 percent. Pinar del Rio Province had the highest number of delegates reelected, with 52.9 percent. Ciego de Avila Province had a reelection level of 52.6 percent, and Sancti Spiritus Province had 50.4 percent. Aguilar says that Guantanamo Province had the highest number of new delegates—59.3—and 40.7 percent were reelected. In Santiago de Cuba Province, 58.6 percent of the delegates were new, and 41.4 percent were reelected. In Camaguey Province, 57.2 of the delegates were new and 44.4 percent were reelected.

Resillez asks Aguilar to give the same information for the municipal level. Aguilar says that Vinales Municipality in Pinar del Rio Province had the highest level of reelection with 68.6 percent, followed by Ciro Redondo Municipality in Ciego de Avila Province with 66.6 percent, and Cienfuegos Municipality with 65.7 percent.

Resillez asks about the relationship of the people's councils to this whole process. Aguilar points out that the people's councils will also have elections to elect new members. One of the functions of the municipal assemblies, once they are formed, is to hold meetings with the council members and elect the council presidents.

Resillez asks whether they are working on the second stage of the electoral process. Aizpurua points out that the call for elections for delegates to the provincial assemblies and deputies to the National Assembly has already been issued by the Council of State. Voter registries are being updated. Steps will be taken so that mobilized workers can participate in the elections. The National Electoral Commission plans to meet to discuss a set of instructions it will issue.

Resillez announces that "Open Agenda" will hold another program on the candidacy commissions on 12 January. One of the "Open Agenda" programs in February will discuss the National Assembly and the provincial assemblies. Another program in February will also talk about the National Electoral Commission and its preparations for the 24 February elections. On 23 February, Resillez plans a program on the progress of preparations for the elections.

Escalera Meets With Indian Delegation

FL3012194192 Havana Radio Rebelde Network in Spanish 1800 GMT 30 Dec 92

[Text] Juan Escalona Reguera, the president of the National Assembly of the People's Government [ANPP], has met today with Harkishan Singh Surjeet, the secretary general of the Communist Party of India—Marxist. The ANPP president thanked the Indian delegation for the Indian people's gesture of solidarity in sending the ship Caribbean Princess. He told Harkishan Singh Surjeet that it had arrived in our country at a very important time, when the phase of electing the delegates to the municipal assemblies of the people's government had concluded and the people are preparing to elect the members of the provincial assemblies and the deputies to the ANPP on 24 February.

Mr. Harkishan expressed interest in various aspects of the Cuban Constitution and electoral system, while saying that the ANPP was an example of the people's participation in guiding the socialist state. He added that he knew about the difficulties Cuba was experiencing and what holding elections means to the revolution in these times when U.S. aggressivity against Cuba is obvious and when our country does not have the cooperation in the economic sphere of countries that used to

be socialist. Nevertheless, he said, without the appropriate functioning of these democratic institutions, it is impossible for society to develop.

During the meeting, Mr. Harkishan expressed the admiration the progressive forces in the world feel for the Cuban Revolution. These forces have not hesitated to offer their help in solidarity. At the meeting, Juan Escalona gave Harkishan Singh Surjeet the ANPP Medal. Members of the Indian delegation also included (Makian Alexander Bavi), the leader of the Communist Party of India, and (Kedar Nath Singh), a member of the Congress Party and the president of the association for friendship with Cuba in New Delhi.

Havana Health Leadership Announces 1993 Goals

FL3012223592 Havana Radio Reloj Network in Spanish 2058 GMT 30 Dec 92

[Text] Public health minister, Dr. Julio Teja, has announced a plan—coordinated with the Ministry of Agriculture—that will allow us to obtain, in 1993, no fewer than 28 million units of medical products, a large part of them made from plants. The provincial health leadership's organizational activities for 1993 were approved during a meeting held at the Havana Psychiatric Hospital, as was the strategy for raising care levels.

Among the priorities for the coming year are support for the model unit movement, which is directly linked to an increase of specialists in general, and holistic medicine in connection with the care of seriously ill patients. Within the mother/infant-care program, Havana's specialists will begin making a full assessment of children with low birth weights, and will strive to better diagnose congenital abnormalities.

Roundup of Economic Activity Reported 23-28 Dec

FL2812175692

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 23 December and 28 December.

Workers Receive Plagues for Tuber Harvest Production—Camps in Jaguey and (La Salita), in San Antonio de los Banos Municipality, Havana Province, for workers mobilized for two-week periods, have received plaques for harvesting over 250,000 quintals of tubers and vegetables this year. The workers at Jaguey tend 27 caballerias of miscellaneous crops at the Augusto Cesar Sandino and Antero Regalado Cooperatives. The workers at (La Salita) tend 26 caballerias and have pledged to reach 100,000 quintals in the first quarter of 1993.

A new vessel will drop anchor at Nueva Gerona port at the beginning of 1993. This will considerably increase the total export production of the current Isle of Youth citrus harvest, which has already reached over 10,700 tons of grapefruit. The daily harvest rate is over 300 tons per day. For this reason, the total is over 57,118 tons of fruit harvested by the workers of the Lazaro Pena Battalion in prioritized areas of the Isle of Youth.

Radio Rebelde further reports that production of juice concentrate and other citrus products continues to absorb a considerable part of the harvest: 41,320 tons of citrus have been allocated to this sector. This will continue to increase in response to domestic and international market demands. (Radio Rebelde in Spanish 1900 GMT 23 Dec 92)

Camaguey Enterprise Meets Production Plan Figure—The workers of the Camaguey Local Industries Enterprise have met their 10-million-peso production plan for 1992, exceeding the 1991 figure by 2 million pesos. This enterprise, the second of its kind in Cuba to comply fully with its 1992 plan, provided jobs for over 3,000 workers, counting both those working in its workshops and those working at home on contract. (Radio Rebelde in Spanish 1000 GMT 24 Dec 92)

Sugar Harvest Begins in Provinces—Granma, Santiago de Cuba, and Villa Clara Provinces are, at the beginning of this sugar harvest, the three provinces currently using their mills most effectively. The Sugar Industry Ministry [Minaz] has reported that Granma and Santiago de Cuba sugar mills are operating at 88-percent capacity, while Villa Clara's mills are operating at 87-percent capacity, followed by those in Havana Province with 85 percent and then, in descending order, by Holguin, Matanzas, Cienfuegos, Sancti Spiritus, Pinar del Rio, Ciego de Avila, Camaguey, and Las Tunas. According to the Minaz evaluation, breakdowns, interruptions in operations, and problems with maintaining a steady supply of cane are the main reasons for low grinding figures.

Radio Progreso also reports that Rafael Sed Perez, president of the National Institute of Tourism [Intur], has announced that some 400,000 tourists visited Cuba during the first 10 months of 1992, a 33-percent increase over the 1991 figure for the same period. Perez also announced that the income brought in by Intur, Cubanacan, and the Gaviota group exceeds by almost 32 percent the amount brought in from January to October 1991. (Radio Progreso in Spanish 1200 GMT 24 Dec 92)

Ceiba Citrus Enterprise Meets Fruit Quota—The Ceiba Citrus Enterprise in Caimito Municipality, Havana Province, has collected 230,000 quintals of fruit, thereby fulfilling the 1992 plan. (Radio Reloj in Spanish 2030 GMT 24 Dec 92)

Methane Gas System Wins Medal—reports that a methane gas system for vehicles and acetylene torches created by a multidisciplinary group at the Ministry of the Interior won a significant medal at the Seventh National Spare Parts Forum. The group has also worked on improving the operation of the methane gas plant. From January to October, the plant produced 3,812 cylinders of methane gas, thus saving $48,717 in acetylene imports. The use of methane gas in 54 vehicles has saved 188 tons of gasoline, or $43,177. (Radio Rebelde in Spanish 1800 GMT 24 Dec 92)

Cane Planting Reportedly Going Well—Cane planting is going well, with Guantanamo Province finished, five provinces nearing completion, and all provinces expecting to finish by year's end. (Radio Reloj in Spanish 0200 GMT 25 Dec 92)

500,000 Trees Planted During 1992—Five hundred thousand trees were planted during 1992. The goal was over 4 million. (Radio Rebelde in Spanish 1800 GMT 26 Dec 92)

Oil Drilling Enterprise Surpasses Record Amount—The oil workers of the Central Region Oil Drilling and Extraction Enterprise in Matanzas have met this year's production plan by reaching 650,000 tons of oil, several thousand tons more than their 1989 record. (Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 Dec 92)

Central Committee Member Reports on Sugarcane Production—Jorge Valdes Rodriguez, member of the Central Committee and first secretary of the provincial Communist Party in Sancti Spiritus, said that cane grinding is off to a good start despite materiel limitations. Valdes, speaking at an awards ceremony honoring Cabaiguan Municipality canecutters who are to work at the Uruguay mill in Jatibonico, also reiterated the determination of Sancti Spiritus tobacco workers to plant their promised 680 caballerias, of which 321 have been completed, by extending the planting into 1993. (Radio Rebelde in Spanish 1000 GMT 28 Dec 92)

Winter Potato Planting Ends—The winter potato planting has ended at the 19 de Abril Miscellaneous Crops Enterprise in Quivican with the planting of 20 caballerias on 13 farms. Good conditions have raised the expectation of a yield of 7,000 quintals per caballeria. (Radio Reloj in Spanish 1500 GMT 28 Dec 92)

Inter-Caribbean Affairs

Caribcare Urges Regional Action on Haiti, Cuba

FL3012180092 Bridgetown CANA in English 1630 GMT 30 Dec 92

[Text] Port of Spain, Trinidad, Dec 30, CANA—The Caribbean Institute for Human Rights (Caribcare) has called on regional governments to put Haiti and Cuba high on their agendas in the new year in an effort to establish democratic societies.

The Trinidad-based group in a New Year's message urged Caribbean Community (Caricom) leaders to harden their stance against the Haitian military regime so that human rights violations would cease and democratic rule would be restored.

It added, "The continued ambivalence by Caricom states over Haiti would weaken the political integrity of the regional movement as it did in the case of Guyana.

"At the same time, all those who call for sterner measures against Haiti must also show some consistency in calling upon Cuba to free up its institutions and hold fair and free elections.

"Cuba and Haiti are two sides of the same coin, that is, a continued violation of citizens' fundamental rights and freedoms."

At home, Caribcare said government and senior public officials must revive their efforts at reducing the uncertainties and conflicting standards of conduct now gripping the population.

Stating that it saw 1993 as a year crying out for "revival democracy", the group said morality in public affairs cannot prosper in a climate of uncertainty and double standards.

"The uncertainties over social stability would grow in 1993 if the national economy continues to be distorted by competiting interests and a spending structure that lacks proper priorities and fair returns for the tax dollar," Caribcare said.

"The uncertainties over economic stability would continue to be fueled by a monolithic export base and a tax structure that disproportionately pressures the salaried class while ignoring other areas of income."

Grenada

Finance Minister Presents Budget

FL3012234092 Bridgetown CANA in English 2231 GMT 30 Dec 92

[By Richard Simon]

[Text] St. George's, Grenada, Dec 30, CANA—Grenada's finance minister, Prime Minister Nicholas Brathwaite on Wednesday [30 December] presented an EC245 million dollars budget that held no surprises and has been described as a respite for the island.

Recurrent expenditure stands at EC177 million dollars (one EC dollar = 37 U.S. cents) while the government hopes to collect EC158 million dollars in revenue, he stated in Parliament. The government has allocated EC68 million dollars for capital expenditure with capital revenue of EC70 million. The capital budget will be financed by external loans amounting to EC32 million dollars, EC25 million in grants, and EC12 million from the special capital development fund set up from the sale of national assets.

The finance minister reported the abolition of a 10 percent import surcharge to be replaced by a customs services charge of 2.5 percent. He also announced reductions in the foreign exchange tax from five to 2.5 percent and a reduced Caribbean Community Common External Tariff (CET). Reporting on the performance of the economy in 1992, Brathwaite said the anticipated

growth in the tourism industry failed to materialise, and registered a decrease instead.

"Economic output in Grenada declined in 1992. This was the first fall in output after five consecutive years of growth averaging five percent a year," he said. Agriculture earnings also decreased, as prices for major commodities and products fell on the international markets, bringing an increase in unemployment.

"One of the more distressing aspects of economic recession and structural adjustment is the heavy toll of human capital through rising unemployment. This is not just an economic tragedy but a waste of human potential," he said, adding that the government would take steps to address the issue before "the subculture of protracted unemployment takes its hold."

However, the prime minister said the government was continuing its retrenchment programme in a bid to reduce the civil service from the current 6,000. The service is earmarked to be trimmed to 5,300 in two years. He said the policy was necessary to streamline Grenada's economy and reduce the 90 million dollars the government has projected to spend on salaries and wages for 1993.

"If we fail we will certainly have no other choice but to enter an adjustment with the International Monetary Fund (IMF) ... We will lose the freedom to dictate the scope and pace of our adjustment programme," he said. He said that if the government remained committed to its homespun programme it would be successful, for if it fails, the IMF would be the only other option.

"We have set new programme targets for 1993 which have been designed to recover the ground lost in 1992 and to consolidate gains already made," he added. The finance minister said his administration was targeting a surplus on the current account, reducing current expenditure, a reduction in the external debt, and a reduction in the deficit for 1994. He said the economic outlook for the island was much more encouraging for the coming year since new thrusts are being made in tourism with the expansion of the hotel industry and the revamping of the agricultural sector.

The national debt stood at EC324 million dollars of which EC192 million is owed externally, he said. The prime minister announced the rescheduling of an EC9.8 million dollars loan from telecommunications giant, Cable and Wireless. Under the agreement, the government will accept one third of its dividends from the Grenada Telecommunications Company (Grentel) in cash while the remainder will go toward servicing the debt. The repayment period has been pushed back from 1996 to 1998, Brathwaite said.

Haiti

CEP President Promises 'Lawful' Elections

FL3012163592 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 30 Dec 92

[Excerpts] The president of the electoral council, (Balthazar Saint-Phard Line), met with the press for the first time on the afternoon of 29 December to discuss the material and logistical problems facing the Permanent Electoral Council [CEP]. According to (Line), the CEP members were obliged to take some time to repair the premises [words indistinct]. (Saint-Phard Line) explained that the elections will be held without bias and that he has already invited candidates and political parties to send their lists of representatives to the CEP through the voting offices.

[Begin (Line) recording] Obviously, the elections will be held. They must be held and we will hold them. We assure everyone, all political parties, and all candidates that the forthcoming elections will be independent and lawful. As we know, in our country, elections always mean crooked dealings and this is what is in the people's mind: Where there are elections, there are crooked dealings. This is the reason that many people are in doubt.

I understand that; I understand some people's doubt as to whether this electoral council can hold elections. I ask that, beginning tonight, everyone bear in mind that we will hold elections and that only those who are popular, those who receive more votes, will win. Beginning tonight, I call on all political parties, all candidates, all those who intend to participate in the elections to start sending....[pauses] dropping in at the [appropriate] service in the office of the Electoral Council to note down the lists of their representatives who will be at the polls to check when somebody votes for them and to [make sure] that when the ballots are counted, the ballots of those who voted for them are counted. [end recording] [passage omitted]

Mr. (Saint-Phard Line) explained that the partial elections will be held under the 1990 electoral law.

St. Lucia

Island Called Drug Transshipment 'Focal Point'

FL3012234792 Bridgetown CANA in English 2242 GMT 30 Dec 92

[Text] Castries, St. Lucia, Dec 30, CANA—St. Lucia is now the focal point for illegal drugs transshipment in the Eastern Caribbean, Police Commissioner Algernon Hemmingway said Wednesday [29 December].

He made the comment while announcing plans for the hosting here of Exercise Tradewinds '93, organised by the Regional Security System (RSS). The exercise will incorporate the Special Services Units (SSU's) of countries of the

organisation of eastern caribbean states (OECS) and will be conducted under the auspices of the U.S. military. Next year's exercises, to be carried out in four phases, will encompass Coast Guard training, disaster relief, training of land forces, and drug enforcement.

Hemmingway told reporters here that the staging of the fourth phase of the exercises on St. Lucia was timely, since the island has become a "focal point" for drug transshipment in the Eastern Caribbean. He noted that one aspect of the exercises here will deal with the possibility of drug traffickers becoming subversive.

"It's not as though that is the case, but we have to test the situation by the police and military operating together to counteract any such insurgency," Hemmingway said.

The growing drug trade here, and increasing frustration over the scope of the problem led earlier this year to a call by education minister, Louis George, for the death penalty to be considered for convicted drug traffickers. His call came amid newspaper reports of drug-trafficking and weapon-toting in several secondary schools. At just about the same time, police had arrested a 16-year-old student for cocaine possession, while she was an outgoing passenger at one of the island's airports.

El Salvador

Revolutionary Front Calls FMLN Leaders 'Traitors'

PA3112030192 San Salvador Radio Cadena YSU in Spanish 1230 GMT 30 Dec 92

[Text] The self-styled Salvadoran Revolutionary Front [FRS] has issued a new communique which reads as follows:

The FRS informs the Salvadoran people, international community, diplomatic corps accredited to the country, the government, and the Farabundo Marti National Liberation Front [FMLN] of the following: [words indistinct] rich oligarchs who will continue oppressing the working class. We have concluded that the consolidation of the alleged peace has been [words indistinct] in an attempt to buy the Salvadoran people's dignity with a view to the 1994 elections. Therefore:

1. The FRS repudiates the plot between the FMLN and the government to conceal the names of the Armed Forces officers who, according to the Ad Hoc Commission, committed human rights violations.

2. We believe the attitude assumed by FMLN leaders clearly reflects their betrayal of the Salvadoran people, who for many years supported the revolutionary struggle and now will again be under a military dictatorship.

3. The FRS considers the former FMLN commanders to be real traitors because they have betrayed the people who struggled and shed their blood for freedom.

4. We ask Joaquin Villalobos [Rene Cruz], Jorge Shafik Handal, Roberto Roca [Francisco Jovel], Ferman Cienfuegos [Eduardo Sancho Castaneda], Nidia Diaz [Maria Concepcion Valladares de Sosa], and Leonel Gonzalez [Salvador Sanchez Ceren]: Can reconciliation be achieved without truth and justice?

5. If this communique is not aired, your reporter will be attacked. [sentence as heard] The color of blood is never forgotten; the [word indistinct] will be avenged; Farabundo lives in the people's struggle.

This was the communique sent by the FRS, which deplores the fact that, while the country is still in the process of consolidating peace, anonymous groups are emerging and threatening the media, using the same style as the death squads. [sentence as heard]

* Poll Solicits Views on Economy, Peace Process

93CA0038A San Salvador EL SALVADOR PROCESO in Spanish 25 Nov 92 pp 6-7

[Article: "Public Opinion on Economic Measures and the Peace Process"]

[Text] From 10 to 18 October, the University Public Opinion Institute (IUDOP) of the UCA [Central American University] conducted a national poll in order to explore the effects of economic measures implemented by the government in September. The poll also provided follow-up on compliance with the Peace Accords and trends in the public's political views in general. The poll covered urban and rural areas in all 14 departments in the country. A total of 1,600 interviews were conducted.

For 87.8 percent of those interviewed, El Salvador's main problems are poverty, unemployment, and low wages (47.1 percent), followed by the economic and social crisis (40.7 percent). Only 10 percent attributed these problems to implementation of the VAT [value-added tax], although for 25.8 percent, inflation, higher prices, and the high cost of living in general are the main challenges faced daily. This explains why 78.5 percent of those surveyed see the VAT as a tax that is either intolerable (32.4 percent) or excessive (46.2 percent). In contrast, 16.6 view it as reasonable.

When those polled were asked about the increase in rates for public services and certain consumer goods beginning in September, the preceding trend remained constant. Consequently, rate hikes for water (51.1 percent), electricity (66.6 percent), transportation (86.7 percent), and cooking fuel (60.8 percent) were viewed as intolerable or excessive. In other words, the poll's results reveal that the majority of the people have an undeniably negative view of the increase in the cost of living.

In fact, 83.1 percent think the country's economic situation has remained the same or worsened, while only 12.5 percent believe it has improved. Salvadorans' expectations for the future thus tend to be predominantly negative. Some 83.1 percent say the economy is the same or worse than it was before the agreements, while only 12.5 percent say it is better. All figures demonstrate that compared with the last poll, there has been a marked, systematic worsening in what the Salvadoran people view as extremely poor direction of government economic policy.

Concerning the peace process in general, Salvadorans continue to have a positive view. In fact, 54.5 percent think that more has been gained from the agreements than they expected, compared with 35.6 percent who hold the opposite view. In addition, 37.9 percent of those polled believe that the verification work of ONUSAL [UN Observer Mission in El Salvador] is average, while 32.7 percent think it is good. Likewise, people say the administration of COPAZ [National Commission for the Consolidation of Peace] is shaping up along similar lines. Some 34.1 percent view COPAZ' work as average, while 22.1 percent think it is good. Only 5.8 and 5.2 percent respectively say the work done by ONUSAL and COPAZ is poor.

Furthermore, 51.2 percent say that their idea of the FMLN [Farabundo Marti National Liberation Front] has improved since the Peace Accords, while 25.3 percent have the same opinion, and only 6.5 percent have a worse idea. It should be noted here that 28 percent of

those who have a better image of the FMLN now say it is due to the absence of hostilities.

The principal new factor in the peace process has to do with what the people see as the main obstacle to compliance with the accords. Some 36.9 percent say it has to do with the legalization of land in areas of conflict, 20.2 percent say it is the demilitarization of the FMLN, and 13.4 percent identify it with the reduction in and purge of the Armed Forces.

In terms of political judgments, the poll reflects the people's dissatisfaction with the political parties' inability to improve the economic situation. When asked whether the image of ARENA [Nationalist Republican Alliance] had improved or worsened after three years in power, 53.4 percent said it had worsened, compared with 25.8 percent who said it had improved, and only 5.7 percent viewed it as unchanged. According to those polled, the ruling party's decline is allegedly due to the high cost of living and unemployment (18.2 percent), followed by the failure to keep promises made (9.2 percent), and passage of the VAT and higher rates for public services (6.8 percent).

Even so, despite a slight drop (4.1 percent) compared with the previous IUDOP poll, ARENA remains in the lead (19.8 percent) in terms of which political force the people view as most able to govern the country. ARENA is followed by the FMLN (10.2 percent), PDC [Christian Democratic Party], the Democratic Convergency (3 percent), and PCN [National Conciliation Party] (2.1 percent). When those polled were asked which party had the most people with the ability to govern, the order of preference remained the same, with slightly higher percentages (20.6, 13.7, 5.3, 2.6, and 2 percent respectively).

In sum, for most Salvadorans, the main problem is the difficult economic conditions, accompanied by a lack of hope of any improvement. This is a fundamental fact of life for any political party seeking to win the support of the people because it shows that in order to do so, it will have to adopt bold and drastic measures that will reverse the economic and social trends of the current government.

Guatemala

Treasury Police Reports 1992 Drug Confiscations

PA3112042692 Guatemala City EL GRAFICO in Spanish 30 Dec 92 p 51

[Text] The Treasury Police carried out highly efficient work during 1992. Proof of this was the confiscation of drugs worth 1,580,122 quetzales from international and local drug traffickers. This was reported by Eddy Linares, the Treasury Police public relations chief, who added that 285 suspected drug traffickers were arrested.

Linares said the confiscated drugs included 6,245 kg and 212 grams of cocaine valued at 625.611 million quetzales, which led to the arrest of 44 persons.

He also reported the confiscation and destruction of 1,557,428 marijuana plants; 1,563 pounds [lbs] of that drug and 194 lbs of marijuana seeds, with a value of 548,869,308 quetzales, and the arrest of 187 persons.

According to Linares, so far this year 18,476,351 poppy plants have been destroyed; 4.5 lbs of opium and nine lbs of seeds have been confiscated, all of which was worth 369,631,495 quetzales, and 54 persons were arrested.

Linares said the struggle against drug trafficking has been tough but has produced results.

He added that the Treasury Police is assisted by the U.S. Embassy's Narcotics Affairs Section.

He said that the areas where it has been most difficult to detect drug plantations are Tajumulco, San Marcos Department, where marijuana plantations were found, and northern El Peten Department, where four poppy plantations have been detected.

He noted that the hard work of the Treasury Police made it possible to surpass last year's statistics on drug confiscations.

Regarding cocaine, Linares said most of that drug was confiscated in Retalhuleu, Escuintla, Suchitepequez, and Guatemala Departments, where large shipments have been detected.

Nicaragua

Chamorro Decree on National Assembly Status

PA3012180092 Managua Sistema Nacional de Television Network in Spanish 2300 GMT 29 Dec 92

[Presidential Decree No. 341-92 issued in Managua on 29 December]

[Text] Whereas:

1. The Supreme Court of Justice Ruling 171 of 27 November 1992 declared null and void all decisions made after quorum was broken during the 2 September 1992 12th regular session of the National Assembly's 8th legislature, thus reinstating the situation that existed prior to the transgression.

2. According to Article 50 of the Amparo Law, the Supreme Court of Justice reported to the president of the Republic the National Assembly president's disobedience and failure to enforce the ruling mentioned above. Consequently, the Supreme Court of Justice asked the president of the Republic to enforce said ruling.

3. According to Article 177 of the Constitution, the decisions and resolutions issued by tribunals must be obeyed by government authorities. Article 50 of the Constitution states that the president of the Republic must obey and is empowered to enforce the Constitution.

4. In compliance with the law, the president of the Republic addressed a note to the National Assembly president making known to him the Supreme Court of Justice's decision ordering the National Assembly president to obey the ruling. In the same note, the president of the Republic asked the National Assembly president to comply with the court ruling.

5. The National Assembly president reiterated to the president of the Republic his determination not to obey the court ruling. Under the pretense of closing the National Assembly's 8th legislature, the Assembly president repeated the same faults previously reported by the court, thereby violating the Constitution ruling that court rulings must be obeyed by government authorities.

6. All necessary and legal actions and steps must be taken to prevent any further violations of the Constitution and the approval of null and void legislative bills and decrees because such an approval mocks the de jure state and the Nicaraguan people.

7. The National Assembly president's reiterated disobedience of the Supreme Court of Justice ruling and public announcement of his determination to maintain this stand has created a legal, authoritative, and administrative gap in the National Assembly, leading to a disturbance of constitutional order in the country. Consequently, it is up to the president of the Republic to enforce the Supreme Court of Justice ruling and restore the disturbed constitutional order.

Therefore, making use of the authority invested in her by the Constitution, the Amparo Law, and Ruling 171 of the Supreme Court of Justice, the president of the Republic has issued the following decree, which deals with measures to ensure the normal functioning of the National Assembly in compliance with the Supreme Court of Justice's Ruling 171.

Article 1. All necessary measures shall be taken to protect the documents in and the buildings occupied by the National Assembly. These documents and facilities will be turned over to the two oldest and the two youngest representatives who make up the provisional board of directors. The board's chairman will preside over the session where the next elections will be held in accordance with Article 24 of the National Assembly's general statutes.

Article 2. The minister of the government shall be instructed, in compliance with Article 1 above, that he can put himself at the orders of the National Assembly's provisional board of directors and cooperate with this board in every possible way.

Article 3. All representatives to the National Assembly and their duly accredited alternates are hereby urged to attend the 9 January session and freely elect the legal authorities.

Article 4. This decree will come in force as of its publication in any media without detriment to the decree's publication in the gazette.

[Issued] Managua, 29 December 1992.

[Signed] Violeta de Chamorro, president of Nicaragua.

Sandinist Police Take Over Assembly Building

PA3012173392 Managua Radio Catolica in Spanish 1100 GMT 30 Dec 92

[Text] There has been a coup against the National Assembly with the military takeover of the Assembly building. We repeat: A coup has taken place in Nicaragua against the legislative branch with the military takeover of the assembly building. The Sandinist police are not allowing anyone to enter the National Assembly building. The legislative branch building is under the control of the Sandinist police, and the executive branch has summoned the legislative branch to session on 9 January 1993. Thus, a complete legislative branch intervention by the executive branch has taken place. In this edition of the "El Despertar" newscast, we will be presenting reactions from various Nicaraguan political sectors.

UNO Leader on 'Veiled Coup'

PA3112033192 Managua Radio Catolica in Spanish 1100 GMT 30 Dec 92

[Telephone interview with Miriam Arguello, president of the Popular Conservative Alliance and leader of the National Opposition Union at the National Assembly, by unidentified reporter in Managua—live]

[Text] [Reporter] Dr. Arguello, what is your opinion of the executive branch's decision [to take control of the Legislative Assembly]?

[Arguello] Violeta [Chamorro] has surpassed the Somozist and the Sandinist dictatorships. Neither dictatorship ever did anything like this. There has been a veiled coup d'etat against the National Assembly. The truth is that the Somozist constitution had legal mechanisms to dissolve Congress, but they were never applied with use of the public force. Nowadays such mechanisms do not exist. Coups d'etat are normally carried out by the Army, as occurred in Peru. Here it has been done in a more sophisticated, Sandinist style, but also using Somozist violence. Violeta ordered a coup d'etat against the National Assembly.

In my opinion, this is Violeta's biggest error to date, the biggest treason carried out against the Nicaraguan people. The National Assembly represents Nicaragua's sovereignty. The votes of the people are represented there.

With this attitude, Mrs. Chamorro has violated the state of law, which has not existed during the three years she has been in power. She speaks of a state of law, but that is the last thing we have had in this country. With this act, she has reached the pinnacle of her presidential career, as I see it. Violeta has set a terrible precedent and tomorrow what she has done against the Assembly could happen to her at the hands of her allies.

I think a severe blow has been inflicted on the Nicaraguan people. I am not defending the National Assembly

president's attitude as he administers the Assembly. That is another problem. But what Violeta has done is unheard of. I think it will shock the entire world.

[Reporter] Thank you.

UNO Deputy Azucena Comments

PA3112151292 Managua Radio Catolica in Spanish 1100 GMT 30 Dec 92

[Telephone interview with Deputy Azucena Ferrey of the Christian Democratic Union by unidentified reporter in Managua on 30 December—recorded]

[Text] [Reporter] We would like to hear your views on President Violeta Chamorro's decision to take over the National Assembly militarily under the pretext that she is protecting the installations. You said meetings were being held with the Sandinist bloc.

[Ferrey] First I would like to say that as third vice president of the National Assembly Board of Directors, I still feel deeply personally affected. The executive branch did not allow this Board of Directors to end its period formally on the day that the new Board of Directors are chosen, when the session to elect the board members is summoned. I think the executive branch's action was impulsive and unfortunate, as the National Opposition Union [UNO] had publicly issued a communique announcing the creation of a commission to establish a dialogue with the Sandinist National Liberation Front [FSLN] bloc. The commission's purpose was to solve the problem among the deputies as the president had asked. The commission had its first contact with FSLN bloc chief Sergio Ramirez. The date for the formal meeting had been set for after the holidays. The Christmas and New Year holidays are not conducive to a formal situation. Everyone goes on vacation, and that hampers the development of any activity. That is why we had set the first meeting for 2 January. After listening to the president's Christmas' message and seeing her action yesterday, I see a huge contradiction. The move against the National Assembly, the legislative branch, gives me the impression that it was a premeditated action—and as the lawyers say—with treachery. It came at a time when everything has stopped in the country. One does not find the right channels to establish communications with other persons. I think this is most unfortunate. It is a sad way to end the year. One still does not feel that the Government Ministry has a civilian presence. Throughout these past two years he have been able to see that its civilians are figureheads. Right now the government minister....[pauses] The media has said his actions are highly questionable. Some even say he may not remain in his post. We feel a very well disguised military hand is acting. It has been a hard blow to the country's democratic development. I dot not want to think the democratic process was aborted. I do think, however, that the executive branch's action against the legislature has been one of the harshest blows the Nicaraguan people could have been dealt. I think there is still time to reconsider. We must promote dialogue among the forces of the National Assembly to solve the problem among ourselves without reaching the extremes that loom before us. I think the president must respect the mechanisms of reconciliation, which she mentioned in her speech a few days ago, and let dialogue develop more in tune with the country's needs.

[Reporter] Are UNO and your party, the Christian Democratic Union, going to go over to the opposition if the FSLN and the Center Bloc decide to control the chief posts within the Assembly?

[Ferrey] We made that pledge in a meeting of all deputies in Montelimar. Each deputy signed the pledge individually. The pledge was announced to the Nicaraguan people through the media. I think each of us who signed the document were fully aware of what we were accepting. I understand there is a total commitment to abide by that pledge. I also think UNO deputies must begin by giving the people something to believe in. There is a credibility and confidence crisis. I do not think we can continue toying with the people. I said that because the deputies have signed pledges in the past and have acted differently when the occasion arose. This would not be the right time to repeat those attitudes. I hope today the UNO bloc's emergency meeting will reach more solid conclusions. I hope it begins to give the people faith and confidence in those chosen to be their representatives. Those who assumed that responsibility must act accordingly.

UNO Issues Declaration

PA3112010792 Managua Radio Corporacion in Spanish 2200 GMT 30 Dec 92

[Declaration issued by the National Opposition Union, UNO, Parliamentary Bloc in Managua on 30 December; read by Deputy Azucena Ferrey, National Assembly Board of Directors third vice president—recorded]

[Text] National Opposition Union, UNO, Parliamentary Bloc Declaration:

Faced with the president of the Republic's attack on the Nicaraguan legislative branch, the UNO bloc leaders declare the following to the Nicaraguan people and the international community:

1. The so-called precautionary measures against the National Assembly, which have been imposed by the president of the Republic's Presidential Decree No. 341-92 of 29 December 1992, are unconstitutional and violate the National Assembly General Statute. There is no legal, primary, secondary, or procedural decree that forces the National Assembly to accept the Supreme Court of Justice's illegal ruling No. 17192. Thus, nothing and no one can force the legislative branch, which is the first power of the state and the highest and sovereign power of the Republic of Nicaragua, to accept the ruling.

2. The president of the Republic, as the hierarchical superior [50-second break in transmission]

The president of the Republic's order to occupy the National Assembly buildings and installations and to seize documents is a serious abuse of authority. She committed another abuse of authority by placing the National Assembly under the responsibility of four representatives and not under the Board of Directors. With this measure, she illegally removed the current board members, including Sandinist representatives Reynaldo Antonio Teffel and Ray Hooker Taylor.

5. Article 24 of the National Assembly General Statute undeniably indicates that the outgoing Board of Directors is the only body authorized to call the representatives who will preside over the election of the new National Assembly Board of Directors. Furthermore, according to Article 25 of the same National Assembly General Statute, the presidency will only operate on the day of the election to manage it and swear in the people elected. For no reason will it assume temporary management functions as the president of the Republic attempts in her illegal agreement [acuerdo] No. 341 of 1992.

6. The entry by the Government Ministry into the National Assembly at the request of persons who are not members of its legitimately constituted Board of Directors is illegal and constitutes a raid on the National Assembly. Moreover, the seizure of National Assembly documents lends itself to accusations of improper actions and the introduction of false documents for political purposes.

7. The summons of deputies and alternates to a plenary meeting on 9 January by President Chamorro is illegal and therefore void. For that reason, the UNO bloc is forced to disregard it. Any meeting of deputies not summoned by National Assembly's Board of Directors and that does not follow the legal procedures established in the National Assembly General Statute will be invalid and the actions of these deputies will also be regarded as void.

8. We are telling President Chamorro that she is responsible for the enforcement of political plans by the joint government and that her coup against the legislative branch, through Decree 341-92, has made the situation in 1993 complex and deals a harsh blow to widespread efforts to turn 1993 into the beginning of the firm start of rebuilding Nicaragua.

9. We reiterate to the Nicaraguan people and the international community our unyielding decision to fight for the institutional independence of the National Assembly and democratization of Nicaragua, based on the UNO government platform, approved by the majority of the Nicaraguan people in the 25 February elections.

[Issued] Managua, 30 December 1992

Opposition Reacts to Takeover

PA3012214092 Managua Radio Catolica in Spanish 1100 GMT 30 Dec 92

[Statement by Dr. Agustin Diaz Morales, representative of the National Opposition Union, UNO, from Leon—live]

[Text] The National Opposition Union, UNO, political parties in Leon reacted with anger on 29 December to the official intervention by the executive branch against the legislative branch. UNO leaders from Chinandega and Leon feel the military occupation and the executive branch's summoning of deputies to a session on 9 January is a blow to the weak democracy that emerged after the February 1990 elections. Various sectors are preparing statements against the executive decision to use Sandinist military units against the National Assembly. The mayors of this area agreed on 29 December to support the UNO representatives and attend the 9 January National Assembly session.

Panama

Legislator Gonzalez on Cruz Case, Release of Funds

PA3012142392 Panama City Radio KW Continente in Spanish 1200 GMT 30 Dec 92

[Telephone interview with Leo Gonzalez, legislator of the Nationalist Liberal Republican Movement and chairman of the Legislative Assembly's Drug Affairs Committee, by unidentified reporter in Panama City—live]

[Excerpt] [Reporter] Legislator Gonzalez, what can you tell us about remarks by Ariel Alvarado, former secretary general for narcotics at the Attorney General's Office, who said that it is difficult to prove that the funds in the frozen accounts were obtained from drug trafficking and that, consequently, these funds must be released? What can you tell us about this?

[Gonzalez] The problem is easy to understand. All these people are protecting themselves behind the excuse that the DEA has not supplied any proof confirming that these accounts had funds from drug trafficking. However, that is not the problem. The problem lies in the fact that if the attorney general froze the accounts based on DEA reports and he is unable to provide any evidence that the funds come from drug trafficking, then he cannot release the funds. A court must release those funds. This is what Law No. 23, the law on drugs, states.

I will give you a basic example, for the people to understand. If an attorney general had that kind of power, a power Cruz and Alvarado want, a power [Panamanian Bar Association President Jose Alberto] Alvarez want them to have, then any millionaire in Panama could be the target of blackmail.

Cruz could tell anyone having $10 million in the bank: I am going to freeze your funds because they come from drug trafficking. Later on, he could add: I will release your funds if you pass $2 million to me under the table. Thus, Cruz would be freezing and releasing funds and such power could lend itself to practices such as blackmail.

This is why legislators were wise when they drafted Law No. 23. They said you can freeze an account but to release its funds, you have to send a prosecutor's note to a court. You have to report to the court that you have not found any evidence on this or that account and, thus, you are recommending that the funds be released.

The judge then looks at the records and registers the fact that there is no evidence and proceeds to release the funds. It is the judge who releases the funds. This is why legislators were wise when they drafted the law. They said: You freeze the account but others, who have nothing to do with the process, will release the funds. This is done so that there will be no dirty tricks. Unfortunately, the dirty trick boiled down precisely to that: the same person who froze the funds was the person who released them. Now, they claim they can do it in order to continue their actions.

Consequently, when we presented the evidence, we showed the document releasing the funds, the checks, and, in addition, some strange checks which seemed—and I said seemed because I will not confirm it until it is proven—to have been money paid as a bribe to get the funds released.

It is as simple as that. Let no one get this matter confused. There is nothing worse than using legal talk to confuse matters. The matter is simple: Read Article 22 of Law No. 23. It states that the attorney general freezes funds but it is the courts that release them and period.

[Reporter] The key question is that it is said that there is no proof that the money came from drug trafficking and that money is being laundered. If this is so, why were accounts frozen? Whose accounts were they?

[Gonzalez] The newspapers reported that the attorney general received testimony from DEA agents who said that this and that account or the accounts owned by this or that person were accounts with funds from drug trafficking. These accounts included Siracusa Trading and Aragonia Investments which we mentioned in our report. The DEA supplied information through the Sea Chase, Calico, and Rodriguez Gacha operations. Based on that, the bank accounts were frozen.

However, if no evidence was obtained afterwards, what Cruz had to do was send his prosecuting note or his recommendation saying: No proof was obtained after the accounts were frozen, therefore, I recommend to you, judges, to release the funds. That was all he had to do. It was as simple as that, but no, that was not what they did at the Attorney General's Office. They released the funds themselves and I can imagine the reasons for it. [passage omitted]

Police Foil Attack on Electric Power Station

PA3012153092 Panama City LA PRENSA in Spanish 30 Dec 92 p 1A

[Report by Elio Rujano]

[Text] Authorities have reported that members of the National Police and private security guards exchanged gun fire with three men who tried to enter an IRHE [Institute of Hydraulic Resources and Electrification] power plant in the Miraflores area. One of the unidentified men was wounded in the exchange.

According to the sources, at approximately 1930 on 29 December [0030 GMT on 30 December] the electricity was suddenly interrupted at the Miraflores power plant, which was being guarded by two policemen and two members of a private security agency.

One of the security guards went out of the building, which is located behind the Santa Maria La Antigua University (USMA), and saw three men, two white and one dark skinned.

One of the unidentified men was carrying a sawed-off shotgun and a backpack and fired at the security guard when he knew he had been discovered. The security guard fired back to defend himself and wounded the attacker.

The wounded man was helped by one of his companions and they were able to escape together.

Vice President Offers Reward for Pylon Attackers

PA3012152792 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Dec 92 p A1

[Report by Esperanza Navarro Francoise]

[Text] Juan Chevalier, minister for government and justice, has reported that Second Vice President Guillermo Ford has put up $25,000 for a reward for anyone providing information leading to the capture of the individuals responsible for knocking down four electrical system pylons in Veraguas Province.

The terrorist action, which no subversive group has yet claimed responsibility for, has forced drastic energy rationing of five hours daily and will also affect the distribution of drinking water.

The minister said the pylons, located in the Veraguas Province mountainous area, were not dynamited but sawed off with a fretsaw. He said some sectors are being patrolled by air and on the ground. It is impossible, however, to post guards at every pylon throughout the country.

Referring to remarks by Christian Democratic Party president Ivan Romero on the probable removal of President Guillermo Endara, Chevalier said: "The poor guy only wants to draw attention to himself. Instead of saying funny things, he should tell how he used to set up dinners for the military in the past."

PRD Legislator Comments on Political Persecution

PA3012192492 Panama City in Spanish 30 Dec 92 p A2

[Report by Cesar Gomez Marin; all quotation marks as published]

[Text] On the night of 29 December, the National Assembly rejected a motion to alter the agenda in order to discuss the Amnesty Bill proposal, and the National Refinery contract when the government bloc indicated its doubt and disagreement with respect to an evident agreement with the PRD [Revolutionary Democratic Party] bloc. PRD President and Legislator Gerardo Gonzalez reaffirmed that there are not only political prisoners in Panama, but also politically persecuted, politicians who are in hiding, as well as in exile. According to Gonzalez, 35,000 Panamanians have been denounced without any rhyme or reason [sin ton ni son] as result of the hysteria brought about by [Ricardo] Arias Calderon, without providing evidence, and by having legal proceedings that have been shelved.

The PRD legislator told "LA ESTRELLA DE PANAMA" that he was pleased with the confirmation by [Supreme Court] Magistrate Aura Emerita de Villalaz about the justice system. He recalled that she had once reaffirmed the existence of political prisoners and that [Benjamin] Colamarco, [Enrique] Thompson, and [Arturo] Marquinez had been called to stand trial charged with political crimes. But, nevertheless, after statements by President Guillermo Endara that "there were no political prisoners in Panama", everyone in the government, as well as the "PDC [Christian Democratic party] loud mouths" tend to repeat that there are no political prisoners.

According to Gonzalez, "When we spoke about amnesty, we were referring to freeing the country of a persecution weight and judicial terrorism, confirmed by former Prosecutor Rogelio Cruz, who spearheaded this political persecution." The legislator recalled that Cruz acknowledged government persecution against the PRD, that he refused to do it against the PDC, and that all his problems began when he started to investigate the "white collar criminals in the government."

"Considering what we are witnessing, it is the judicial system we wish to "place on the carpet" before the whole and entire country during the second debate of the Amnesty Bill discussions. We seek to place the Office of the Attorney General, the judicial system, and the Executive Branch that started this persecution on the carpet.

The vote to introduce the amnesty bill and the Panama Refinery contract into the agenda was 28 votes against, 25 votes in favor, and two abstentions. This revealed a break in the cohesion between the PRD and the government bloc to obtain the discussion and approval of the National Refinery contract.

Molirena [Nationalist Liberal Revolutionary Movement] Legislator Arturo Vallarino, together with PRD Legislators [Andres] Culiolis, [Mario] Rognoni, [Alberto] Aleman Boyd, and [Authentic Liberal Party] [Arnulfo] Escalona, stated that human beings, just like the son of God, are more important than anything, and that as Christians, pardon and tolerance, and not vengeance, should be the objective and path of all our actions.

Argentina

Medium-Sized Bomb Explodes in Buenos Aires Bank

PY3012203292 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1207 GMT 30 Dec 92

[Text] Buenos Aires, 30 Dec (NA)—A medium-sized bomb exploded before dawn today in the automatic teller machine of a branch of the French Bank in the San Cristobal neighborhood of Buenos Aires.

The explosion occurred shortly before 0200 at 2540 San Juan Avenue. The People's Revolutionary Organization [ORP] has claimed responsibility for the attack in a phone call to Radio America.

The caller said the bank was the target of the attack because this institution has benefited from the privatization policy.

A police spokesman reported that the bomb contained shrapnel from .22 and .32-caliber bullets, and that the blast merely shattered some windows.

The ORP also claimed responsibility for planting bombs in automatic teller machines of U.S. banks and at the YPF [Government Oil Deposits.]

Economy Minister Reviews Progress in Last Year

PY3012223792 Buenos Aires BUENOS AIRES HERALD in English 30 Dec 92 pp 1, 3

[Text] (DYN-NA)—Economy Minister Domingo Cavallo firmly defended the convertibility plan and maintained that salaries grew in 1992 in an end-of-year address last night from Government House. Cavallo said that "there is no doubt that wages grew" this year and that "when the people say that their wages are low, they are comparing them with the aspirations they have."

Cavallo noted that wage purchasing power in 1992 exceeded that of 1989 by 38 percent and was 6 percent greater than in 1988, according to official statistics. "I don't have a single doubt that salaries grew—if not, there is no way to explain an increase in consumption of the order of seven to eight percent," he said.

The minister predicted that exports will be greater in 1993 than 1992, and pointed out that it is mistaken to "think Argentina should have a big trade surplus, at the risk of recession, because at this stage of development that would feed the flight of capital."

He said that for the moment Argentina benefits from foreign investment, despite the side-effect of trade deficits: "We want there to be a strong inflow of capital and investments. In this respect the Argentine economy is on automatic pilot—if there is capital inflow there will be a deficit, and if there is no capital flow, investment will fall and the deficit will disappear."

Cavallo said the Central Bank will likely have to sell dollars during January and February, expecting a surplus of pesos on the market. He said this should not cause alarm, since "the advantage of convertibility is that when the people want dollars the Central Bank sells and when they need pesos, it buys."

With respect to the ongoing troubles with Aerolineas Argentinas, Cavallo said that Iberia "has left a lot to be desired," and reiterated that the government would not feed any more funds into the formerly state-owned airline.

"We are ending a very good year," Cavallo said, citing a nine percent growth in the GDP [gross domestic product]. The minister reaffirmed Argentina's commitment to Mercosur [Common Market of the South] and said that "we hope to negotiate free trade agreements with NAFTA [North American Free Trade Agreement], the European Community and Japan."

Recalling last week's release of statistics showing that 20 percent of Greater Buenos Aires lives below the poverty line, Cavallo stated, "the government didn't say that there is no poverty in Argentina. That would be absurd." Finally, Cavallo announced that the Pescarmona-led consortium was awarded the freight service of the San Martin railway in a ceremony at the Economy Ministry following his year-end round-up.

Economy Secretary Sanchez Reviews Privatizations

PY3012223292 Buenos Aires BUENOS AIRES HERALD in English 30 Dec 92 p 3

[Text] (DYN)—Privatizations have delivered 7.6 billion pesos to the Treasury since 1990 through the sale of 33 businesses to the private sector, Economy Secretary Carlos Sanchez said yesterday. Argentine companies put up over 40 percent of that figure, with purchases adding up to more than three billion pesos. The Spanish followed with 14.76 percent or 1.12 billion and the US came in third with 11.98 percent of the total or 913 million pesos.

Perez Companc was the national leader, participating in 11.5 percent of the privatizations, followed by Techint with seven and Astra with 5.17 percent. Sanchez, speaking at a press conference, pointed out that privatizations had allowed the government to reduce its fiscal debt and increase tax revenue, all the while ensuring "more efficient" services.

Citing 1983 as an example, Sanchez said the government had poured nearly four billion dollars into state-owned companies, while by 1990 that figure was only 1.3 billion and in 1991 amounted to less than a billion.

He said that services had deteriorated in the hands of the state, with railway freight falling by half from 1970 to 1990. Passenger services dropped from nearly 35 million users in 1975 to seven million last year. Over 200

companies from 18 countries are now involved in running the 33 former state firms. The Treasury has collected 5.3 billion dollars in cash, 1.5 billion in debt transfers, 6.7 billion in nominal value debt bonds and 2.6 billion in market value bonds.

Economy Minister Signs Loans for $750 Million

PY3012223392 Buenos Aires BUENOS AIRES HERALD in English 30 Dec 92 p 3

[From the "Business World" column]

[Text] (DYN)—Contracts for loans totalling 750 million dollars for Argentina were signed yesterday by Economy Minister Domingo Cavallo and the president of the Inter-American Development Bank, Enrique Iglesias. A loan of 400 million dollars will be made available when Argentina and creditor banks finalize the Brady debt reduction agreements, planned for March. This 20-year loan will enable Argentina to fulfill interest payments and purchase guarantees as required by the Brady plan. A second loan of 350 million dollars, to be disbursed in three installments over 18 months, will support policy changes designed to establish the necessary stability and economic growth to strengthen foreign investments.

Correction to Menem Announces Retirement Increase

PY2412115092

The following correction pertains to the item headlined "Memem Announces Retirement Allowance Increase," published in the 24 December Latin America DAILY REPORT, page 16: Column one, fifth paragraph, only sentence, make read: ...government "will earmark 900 million pesos" annually.... (deleting dollar sign)

Bolivia

Spokesman Denies U.S. Interference in Decisions

PY3012220092 Madrid EFE in Spanish 1757 GMT 30 Dec 92

[Text] La Paz, 30 December (EFE)—Information Minister Jose Luis Lupo has denied that in the course of a program broadcast by the U.S. television network ABC, Bolivian President Jaime Paz Zamora acknowledged that the U.S. Embassy in La Paz interfered with the administration's decision-making process.

Commenting on an alleged statement by Paz Zamora over the "shocking fact" that the U.S. Embassy has a say in the decisions taken by the administration, Lupo stated—as emphatically as possible—that "the president could have never said that."

The program, which was broadcast on 28 December, was a summary of an investigation by U.S. journalist Peter Jennings over a whole year. In it Jennings concluded that the U.S. Government had lost the war against [drug] trafficking in Bolivia.

Interior Minister Carlos Saavedra said that "the television report is dated and obsolete" and asserted that the struggle against cocaine production and trafficking in Bolivia has yielded positive results.

The U.S. Embassy also denied that the information given in the television program was true and stated that the struggle against trafficking "has been very successful, to the point that it hinders" the actions of traffickers.

Lupo added that "the president of the Republic is by no means pressured in his choice of leading officials, least of all over his choice of ministers." He continued that Paz Zamora had requested a transcript of his alleged statement to the television program.

In February 1991, the U.S. Government suspended economic aid to Bolivia in retaliation for the appointment of Army Colonel Faustino Rico Toro as commander of the Special Antinarcotics Force (FELCN), who was forced to resign some days after being installed.

Rico Toro, Bolivian Army intelligence director during Luis Garcia Meza's administration (1980-1981), was accused by the DEA of being linked to drug trafficking. Even though the DEA stated that it had evidence to prove Rico Toro guilty, it did not produce such evidence during an investigation conducted by the Bolivian Congress.

Soon afterward, unidentified officials working at the U.S. Embassy in La Paz told a MIAMI HERALD reporter that the then Interior Minister Guillermo Capobianco and Police Chief General Felipe Carvajal had reportedly been bribed to protect traffickers.

Notwithstanding the protests and complete denials, both Capobianco and Carvajal resigned.

Brazil

President Itamar Franco Addresses Nation

PY3012155092 Rio de Janeiro Rede Globo Television in Portuguese 1319 GMT 30 Dec 92

[Address to the nation by President Itamar Franco at the opening of a cabinet meeting at Planalto Palace in Brasilia—live]

[Text] Your Excellency Senator Mauro Benevides, president of the national Congress; Your Excellency Deputy Genesio Bernardino, acting president of the Chamber of Deputies; ministers; consultant general of the Republic; governors; congressmen; ambassadors; ladies and gentlemen:

Our nation is proud of the fact that it has been able to handle its most serious political crisis within the law. The people were able to conquer and preserve their own freedom by vehemently taking to the streets, while calming expressing their ideas.

We were able to go through these difficult months without disregarding our laws, and without violating the permanent principles of our rights—which, although they are not written, are the basis upon which political societies are founded.

The leaders and our people have reacted with the humbleness of the righteous, with the patience of the righteous. With the patience of the righteous we have recovered the ethical standards that are the pillars of state structures. The firmness of the nation has led to the highest point of its historic maturity, which no longer admits retrocession. There is no force that can prevent us from fulfilling our great destiny, which was the dream of our heroes and martyrs.

Brazil is ready to walk toward the future. It now has to grow toward the common well-being of its people, overcome internal imbalances, coexist with other nations within the framework of new developments and challeges—by respecting them, as is our tradition, and making ourselves respected—and safeguard hope.

Ministers, ladies and gentlemen, the national Congress has entrusted me with the power given by the Brazilian people as chief of state and government. There is no legitimate political power above Congress, which was created to give society laws and regulations, and to gather experience based on intelligence and reason, in order to guarantee the continuation of national life in peace and justice.

I submit myself to those principles with the certainty that many of our evils are the result of abuses of executive power which have provided the appearance of republican normality—abuses which are exacerbated in authoritarian regimes. I also honor with profound respect the actions of the judicial power, which interprets the laws, and has above all the responsibility to safeguard the enforcement of the Constitution. The other two powers have the responsibility to guarantee with the force of juridical ethics the continuation of a state of law.

The articles of the Constitution which list our objectives and principles summarize the raison d'etre of the national state; that is, to build a free, fair, and sovereign society, ensure safety and development, eliminate poverty and inequity among the citizens and regions of the country, and promote common well-being, free of discrimination of any kind. Throughout my two-year mandate I will work within this constitutional framework.

In installing the first government officials, I said that in my opinion, the state only exists to promote justice and peace. I also said that fear is the only thing distributed with equity in unfair societies like the one we have. We should not conceal our fear under deceptive solutions. Nobody feels secure, while the most helpless, forced by the despair caused by misery, are tempted to place themselves under the protection of criminals, who pretend to become states and disseminate violence under the perverse pretext that they have replaced justice.

The state must act rigorously to maintain the monopoly of force, to ensure that the law is observed, and to eliminate the source of banditry. I have to admit that criminals do not emerge at random, or feed themselves from organized crime. Criminal actions occur because the state has abandoned poor regions.

Messrs. Ministers, we will not resolve Brazil's social situation if we do not look into the eyes of all Brazilians, children and elderly, from the cities and from the rural areas, in the same way we look into those of our own children, parents, and brothers. We must not look at the underprivileged with the same pity we do the destitute, but with the feeling that we are in the presence of human beings who are equal to us, of fellows of our own fate, within the same landscape, under the same sky, within the same history. Our survival as a nation will be subject to our unity and to our joint efforts. Nobody seeks to return to the past or to maintain the country in backwardness. We want to build a modern nation.

The nearly three years during which we implemented a false modernity as a government program represented a step backward for the country's economy. Statistics predict that Brazil's gross domestic production will be 3.7 percent lower on 31 December 1992 than the gross domestic production on 31 December 1989. As our population has grown during during these past three years, the income per capita has dropped by almost 10 percent. In sum, this greatly proclaimed modernity has impoverished the country by 10 percent in barely 30 months.

We all want to modernize the country, and we will do it without impoverishing the middle class and without placing more burdens upon and requiring more sacrifice from workers. The policy of modernity includes the fight against inflation. It cannot be based on high interest rates. The real interest rate for refinancing the public federal debt, or to renegotiate the bonds in the hands of the banking system, was until recently 2.8 percent a month, or nearly 30 percent per year.

How can we invest in productive activities when the government pays such high interest rates for the money it borrows? Where will the government find resources to pay its creditors with those interest rates? The situation, gentlemen, is only an illusion, a nightmare, and we must wake up. But we will not wake up through shocks. Past experiences show that the so-called shock measures can mask the problem for a few weeks or months, but do not attack the underlying structure of the crisis.

During the months I was interim president, we had to overcome all kinds of resistance in reducing interest rates on our part of the public debt to 1.55 percent a month, or to nearly 20 percent a year. This reduction is still unsatisfactory. By means of a wise policy, by combining all government tools such as the fiscal adjustment, we will reduce interest to a sensible rate.

Among the adjustment measures, which include a rigorous rationalization of public expenses, the government will invest in the social and infrastructure fields. At the

same time, this government is certain that the recovery of society's trust in the public administration will create the indispensable conditions for the recovery of growth. I see with special hope that we have honest entrepreneurs who consider an enterprise to be an instrument of social progress, and not merely a source of profit.

There are still among us those who practice a savage, anachronistic, and depredatory capitalism. They gather and disseminate fortunes. Objective observers have said that no country in the world gives so much privilege to capital as we do.

We will guarantee the stability of our economic rules, and we make assurances that we will not implement arbitrary measures. We are sure that the economic and financial agents will now understand that social peace and tranquility are also in their permanent interest.

We will fulfill our agreements with our international creditors in order to normalize our financial relations with the world.

We will reorganize the Central Bank so that it may efficiently fulfill its job of securing monetary stability. The federal government's financial institutions, among them the BNDES [National Bank for Economic and Social Development], will resume their duties, that is, to promote the development of Brazilian society as a whole.

We will continue without haste, but with determination, the privatization of state-run enterprises that are not regarded as strategically important. What will change is the ethical aspect of this process. Jurists and experts are reviewing this issue in search of guidelines that could broaden the privatization process without harming the nation.

We have no illusions that we will be able to build a modern country only by lifting economic barriers and maintaining self-sufficient development. Countries can only grow by participating in the world market of each era.

Brazil has always favored foreign trade. Foreign trade was the main reason for the country's extraordinary performance during the 1974-1980 period, when it became the country with the greatest relative economic growth in the world. Messrs. Ministers, this growth, unfortunately, seriously distorted the country's income and wealth.

To open our doors to international competition does not mean relinquishing sovereignty. Strict reciprocity should be the principle that steers our relationship with other countries. As a result of the end of the Cold War, the world is becoming organized in large regional blocs which uphold the need for a universal political society. We are participating in the Common Market of the South [Mercosur] and are willing to tackle the challenges of continental integration. At the same time, as we make progress in the Southern Cone's integration process, we are maintaining our commitments with the Amazon Pact, as established by the Constitution and one of its clauses.

The Federative Republic of Brazil will strive for economic, political, social, and cultural integration with Latin American countries, with the purpose of creating a Latin American community of nations.

Brazil's participation in the international arena in the next millennium entails our own integration. Our partnership with Southern countries will not merely entail the integration of southern Brazil with the Southern countries of the continent, but rather the integration of Brazil as a whole with all its neighboring Southern countries.

We cannot therefore overlook the social and political consequences of our regional economic imbalance. The only way to counterbalance this problem and eliminate the divisionist threat, also nourished by exaggerated corporativism, is by urgently reaching a new federative pact. The revision of the Constitution in 1993 should allow for the implementation of measures that will grant the municipalities and states greater power and new administrative responsibilities.

Only in this way will we enable the federal government to focus on its higher duties. We must decentralize the public administration, and this requires that Congress act courageously.

Ladies and gentlemen, ministers, young people, we are not the only ones in the world who are facing the same difficulties and are harboring the same hopes. There is a crisis affecting states all over the world. There has been a loss of basic traditional values such as family values, as well as those of religious organizations and ideologies. In addition to these specific cases, industrial progress has brought other problems, such as the threat of ecological disaster.

In light of this situation, and without veering away from the guiding principles of a foreign policy that has been followed by our country since the time of Rio Branco, in all the international organizations and forums to which it belongs, Brazil is cooperating in order that the world might continue to tread the path of disarmament, while participating in the international monitoring of nuclear activities and technologies that could jeopardize world peace.

The scientific-technological revolution has brought major changes in economic relations. It gave a global structure to the productive process and opened new prospects. Within this framework, adequate technology and environment have become essential factors for a process of sustained development, which will bring greater benefits to the people and will promote a rational use of natural resources.

The nation can testify to the fact that I have tried to resolve those problems, which are ostensibly simple but which have a heavy impact on the daily lives of the Brazilian people. We are adopting measures to lower the prices of food and medicines, and we hope to do the same with consumer goods overall. We have reduced electricity rates for small

consumers, and are studying similar measures in the area of social compensations. Health is one of the main commitments for the government.

We are particularly sensitive to the problems affecting senior citizens, who after decades of hard work are not receiving a reward, but almost a punishment. Despite all industrial progress, the security and prosperity of nations still rests with agricultural activities. Food supplies are the main strategic reserve for all peoples. My government will devote priority attention to the organization of rural activities, by granting loans and providing technical assistance that will result in the prompt implementation of new sowing techniques—and especially the land issue, which will be resolved through an agrarian reform that conforms to Brazilian reality.

Ministers, we will wage an all-out battle against tax evaders. We are convinced that the fiscal adjustment will be instrumental in making everyone fulfill his duties: the citizens, by paying their taxes and contributions; and the government and social security institutions, by complying with their obligations to creditors and beneficiaries.

Ladies and gentlemen, young people, this will be an honest government, and will be watched by the people to defend moral principles and to fight corruption. Time requires that we quickly overcome many things. On opening the constituent assembly sessions, Deputy Ulysses Guimaraes said the citizens' rights begin with the right to learn the alphabet. Economic techniques are also part of the alphabet. More than 30 million Brazilians—more than half of our economically active population—are unable to master the most basic production techniques. To allow them to join the work force through an educational process is a long-term task, but we must start it now.

I want to convey a special message to all Brazilian women. I observe with pride that they are increasingly participating in Brazilian life.

I want to praise our Armed Forces, which with their renewed democratic commitment and patriotism have contributed to overcoming our difficulties. I am aware of the important challenges they must overcome, given the poor state of their equipment, when guarding our land borders, our skies, and our sea coasts.

I will shortly convene the Armed Forces High Command, a group that has never been convened before, to define our military policy and to formulate programs and find solutions to their problems.

Regarding Brazilian intellectuals, who have shown us the right paths and whose advice was not always used by the political elite, we must say that their capacity to analyze and criticize is indispensable at this time of state reorganization and restoration of cultural policy.

The work of our researchers and scientists is also indispensable. We do not have much time to lose. It is possible to shorten the technological distance separating us from more advanced countries if we make use of research already conducted. Besides essential research, I have special hopes for our biological studies, which could place the richness of our biodiversity at our disposal and give us a strong world influence because of projects already completed.

Ministers, our young people are the guarantees for a great future for Brazil. I am thinking especially of our children and youngsters wandering through the streets of our large cities. We must bring dignity to them. It is an indispensable national project.

Religious organizations have a very important role, starting with the Catholic Church, in the fight for equal rights and opportunities. When we talk about knowledge and youth, it is natural to think about the problems of education, without forgetting the material aspects, such as school buildings. We are determined to restore the traditional dignity of teachers. Real education means to lead, show the path, free creative capacity for total human fulfillment. Teachers must receive our respect. That respect cannot be reduced to a rhetorical recognition by government and society.

History only puts strong peoples to the test. We are a strong people, and we will win this race. The end of this year, a time when we are renewing our collective and individual hopes, will not only be a mark in the calendar, but will be the beginning of a great era for Brazil. This era will begin with the implementation of long delayed measures.

The government will convene a special session of Congress, after talking with our political leaders, to begin analyzing essential projects, such as the fiscal adjustment program, the bill on ports modernization, public workers salaries, public service concessions, biddings, and regulations for the plebiscite that is scheduled for 21 April. In coming months the government will expect Congress to legislate on very important matters, such as industrial property, basic guidelines for our national education, political party reforms, and land reform.

Ministers, I wish to tell the nation that the era of chiefs of state with practically imperial powers has ended forever, we hope, and that we are now beginning an era of shared responsibilities between the legislative, executive, and judicial branches in administering the country, and especially in building the country's destiny.

Greater men are those who, stretching their vision, can see greatness over the horizon—not as a miracle, but as a project adorned with creative hope. Thanks to God, we had that kind of men in the past. We have them today. They will be there in the future.

Ministers, with the help of these great men and the constant patriotic spirit of our people, we will build the great future for which we have been chosen. Thank you.

Collor Criticizes Impeachment Process

PY3012222292 Sao Paulo SBT Television Network in Portuguese 1700 GMT 30 Dec 92

[Speech to the nation by impeached President Fernando Collor from his private residence, Casa da Dinda, in Brasilia; live—broadcast in progress]

[Text] The sham trial staged against me is nothing but the culmination of a sentence fabricated by political adversaries and rivals defeated during the elections who cannot accept their defeat nor the democratic results of the ballot boxes.

The forces that arose to oust the president of the Republic are the same, exactly the same, ones that throughout Brazilian history have always united to prevent the implementation of reforms, safeguard the privileges they have always enjoyed, and hinder the modernization process that would allow Brazil to definitely overcome underdevelopment and wipe out the misery that plagues the great majority of our people.

For this very reason we must expose these forces; we must continue struggling to prevent them from using the power they spuriously obtained with the purpose of maintaining intact and at their service the draconian and decrepit structures they intend to continue using in order to pursue their own interests.

Under pretexts, the longstanding oligarchy conducted an impeachment trial that dispensed with even a minimum compliance with the legal procedures that ensure the impartiality, balance, and serenity of those who had to try the president of the Republic who dared to challenge their long-lasting existence. This oligarchy thus became an accomplice of the most old-fashioned forces and denied me the most sacred right to defense. With this attitude, they not only debase politics, but also contradict rules, lessen justice, and violate the laws. On the alleged behalf of ethics they never respected, they created a de facto court that shocks the international juridical conscience.

In the name of democracy, which I swore to defend, I cannot allow the formalization of this attempt to oust a president of the Republic who has been elected by the majority of the Brazilian people. I cannot accept being ousted like a pesky tenant would. I resist this situation to ensure the survival of the democratic institutions. Since the beginning of these episodes, I have been denied the right to examine the expert evidence, which is indispensable to defend my rights. I have been deemed guilty beforehand by having my sentence exhibited publicly as the victory of the unusual partnership established between the new left-wing coup stagers and the right-wing dissatisfied of old.

The Brazilian Congress, which throughout history has been the defenseless victim of arbitrary power repeatedly used by the executive branch to suspend political rights and arrest, exile, and deem people guilty without trying them, has become the executioner of a president for the first time. This president's only crime has been to fulfill his duty by inflexibly ordering the investigation and verification of all charges made known in the circles of the executive branch and to hand these results to the sovereign power of justice.

I have behaved serenely and stoically in the face of this unprecedented and inconceivable impeachment, similar to no other ever held in any democratic country. Less as a result of my convictions and personal and legitimate impulses than out of respect for the dignity of the position I occupied, I refused—in the name of this same dignity—to participate or cooperate in this farce. It is my duty to reject and denounce this farce. Resorting to the resources still available to me, I will continue fighting to improve democracy and to restore respect for the will of the Brazilian people that has been freely expressed in the ballot boxes.

An impeachment trial cannot become a synonym for arbitrary acts, unfairness, and frivolity. I will not be held responsible for presenting Brazil in the eyes of the world as a banana republic governed by tribes where dissatisfied people of all beliefs rebel and oust the president who has been elected by most inhabitants in the country. Those who, in the name of their own interests, rebel against our Constitution and disrespect it will be held responsible for that.

I will always be here because this is where I belong. Before God, the fatherland, and public opinion, I will remain here. Before God, my conscience is at ease. Before the fatherland, I have the satisfaction of having fulfilled my duty. I have not violated the law or the Constitution. I have never refrained from fulfilling my duties. Before the tribunal of public opinion, I will seek the truth with the conviction that its decision will prevail over the radical passions unleashed against me.

[Text] My people, the Constitution says that crimes of malfeasance are presidential acts attacking the federal Constitution, particularly the existence of the union. No one can point to a single act in my government and say it made attempts against the Brazilian federation. On the contrary, the visible and unquestionable result of my political and administrative action points to a strengthening of the federation. The president coexisted harmoniously with governors from all states. Did he ever discriminate against any governor, independently of his political positions? In all cases he resorted to his authority.

We concluded a beneficial agreement with our international creditors, obvious and unquestionable proof that we restored our national sovereignty following the disastrous and inconsequential unilateral suspension of the foreign debt service.

Today Brazil not only has the world's third-largest trade balance, but also the largest foreign-exchange reserves in its history.

The same constitutional provision also establishes that it is a crime to make attempts against the free action of the legislative branch, the judicial branch, the government attorney's office, and the constitutional federal branches.

It is possible that under another administration the government branches enjoyed similar independence and liberty, but they have never enjoyed more liberty and more independence than during the past two and one-half years.

The executive branch has fully respected the legislative and judicial branches. The legislative and judicial branches, along with the government attorney's office, have fully discharged their constitutional and legal prerogatives.

In addition, there is not a single executive branch action that may be mentioned as an attempt against the political, individual, or social rights or against our country's domestic security.

The budget laws were discussed, approved, and implemented without anyone daring to mention any sort of manipulation by the executive branch.

Discharging its duty, the executive branch, from the president of the Republic to its humblest servants, has never contested or disrespected any final judgment passed by the judicial branch.

Finally, what is left is the issue with which they [not further specified] have tried to substantiate the impeachment process: the administration's honesty.

They have forgotten that no other government ever dared to stop checks to bearer and bearer bonds, a historical source of swindles, fraud, and evasion.

It is necessary for the nation to know that no other administration has issued such a number of, and such effective laws against, acts of corruption and evasion, which represent the most obvious fraud against the people's interests.

Therefore, my administration's honesty will not be proven rhetorically, but by specific facts. It can be proven by measures such as the refund, for the first time in our history, of a compulsory loan paid for before the established maturity date and with adjusted values. My administration not only refunded its own loans, but was prepared to refund the loans of former administrations, which were never honored, as a way of reestablishing the Treasury's credit and, especially, confidence in the public administration's acts.

They want to hold the president of the Republic personally responsible for acts carried out by third parties, acts against which the executive branch, without any exceptions, ordered the immediate opening of inquests for the constitutionally competent judicial branch to punish the crimes.

Here actually lies the basic issue of today's democratic lawfulness in Brazil: Can the legislative branch impose sanctions against the alleged crimes on which the competent branch, the judicial branch, has in no way, I repeat, in no way, passed judgment? If there are any irregularities that are legally and lawfully under investigation, why not wait until the courts pass judgment on their correctness?

Until guilt is proven in a court of law, how can one attempt to punish the president of the nation, who, according to the Constitution, cannot be blamed for actions foreign to the exercise of his duties as long as he is in office?

Let us not forget that almost all the presidents to ever hold power in this country have been accused of dishonesty. The most honest, the most decorated and most honored of all Brazilians, the Duke of Caxias [Marshal Luis Alves de Lima e Silva, famous soldier and politician, 1803-1880], had to take advantage of his position as senator to defend himself in the very forum that now has vested itself with the powers to try this president on the clumsiest charges against his honesty.

Men like Bernardo Pereira de Vansconcelos [Brazilian politician, many times minister of state, 1795-1850], the Baron of Rio Branco [Jose Maria da Silva Paranhos, Brazilian politician and outstanding diplomat, longtime foreign minister, 1845-1912], Marshal Diodoro da Fonseca [founder of the Brazilian Republic and its first president, 1827-1892], Rodrigues Alves [Francisco de Paulo Rodrigues Alves, Brazilian legal expert, senator, governor, and president, 1848- 1919], Rui Barbosa [legal expert and statesman, one of the founders of the Brazilian Republic and its first finance minister, 1849-1923], and the unforgettable President Jucelino Kubitschek de Oliveira [founder of Brasilia] had to put up with the very same kind of offensive, insulting, debasing uproar.

We should keep in mind that attempts have been made to impeach all presidents of the nation elected under the 1946 Constitution. Such attempts did not succeed because the charges were never proven, just as in my case, through a proper legal trial and a final sentence.

After that, the charges against the one president who was investigated for corruption were dismissed by the Chamber of Deputies vice president on the very same premise that the chamber refused to apply this time: that there were no regulations applicable to the Constitution in effect, as if during this period the country was ruled by two different constitutions.

No Brazilian citizen, whether in office or not, has had to defend himself in the irrational court of sensationalism. Attacks were launched against my personal honor, against the dignity of my position and the very core of my own family, while none of my gratuitous accusers were willing to grant me the inalienable and sacred right of being presumed innocent until proven guilty.

In the face of so much irrationality and the systematic refusal to provide me with the means to obtain the

evidence necessary to reestablish truth, I am convinced that systematic slander is the only valid rule in this sham trial held by the Brazilian Congress, which has played into the hands of the temporary majority that has come together to throw me out of the presidential office.

Regretfully, once again, we are running the risk of seeing the triumph of the longstanding litany of coups d'etat that usually ends the legitimate administrations in Brazil, prevailing over the results of clean, free, sovereign, and democratic elections. Pedro I in 1831, with his resignation and abdication; [Diogo Antonio] Feijo in 1836, with his resignation; Pedro de Araujo Lima in 1840, through the congressional coup of Pedro II's alleged coming of age; Pedro II in 1889; [Marshall Manoel] Deodoro [da Fonseca] in 1891; Washington Luis [Pereira de Sousa] in 1930; Getulio [Vargas] in 1954; [Joao] Cafe Filho in 1955; Janio [Quadros] in 1961; and Joao Goulart in 1964 are not just examples or evidence of this truth, but an especially eloquent testimony that the construction of democracy among us, my people, is still a painful and hard path that only the obstinacy of the legalists will be able to successfully tread.

Throughout this dramatic and unfair process, they [not further specified] attempted only to have me punished, punished even before my judgment. As long as I had means, I struggled in Congress for a fair judgment and an impartial verdict.

I was the victim of a slander campaign unprecedented in our country's history.

Here I am with my hands clean and a meek spirit. I have never resorted to the traditional means of political practice to prevent investigations.

I am just a faithful executor of the democratic tenets. Even if I was harshly attacked, smeared, and publicly lynched in a deceitful and cruel way, I have always respected the full exercise of the freedoms achieved by the Brazilian people: freedom of the press, freedom to voice an opinion, and freedom of expression.

My final judgment will not be passed by the Senate, but by history, which metes out justice. Before the Senate and history, I assume responsibility for all my actions.

Therefore, I am denouncing the summary execution imposed on me.

I am not deserting the struggle nor my commitments to the poor and the have-nots. It was because I kept faithful to them that I saw combined against me the most perfidious interests of selfish elites and pretentious leaders who have been rejected by the Brazilian people's collective conscience time after time.

In order to be able to continue this struggle, I had no other alternative but to resign my mandate, but I am not swapping it for faithfulness to my ideas.

The resignation ends with an unfair process, but does not bury the dream of seeing a prosperous, free, sovereign, developed, and happy Brazil.

From those who have tried to kill my hopes for Brazil's redemption, I will defend myself with the only weapons I have, the only ones I have used to become president of the nation: the legitimate and invincible force of votes and my unlimited trust in justice.

I am convinced that only by restoring the legitimate rule of democracy, even if it means going against entrenched radicals, will we be able to overcome the difficult times we are going through, times in which the people do the appointing and Congress does the firing.

The decision the Senate made yesterday, even after I had made the extreme gesture of resigning as my last legal recourse in view of the obvious efforts to curtail my defense throughout the impeachment process, is more than violent; it is a display of arbitrary behavior unprecedented in the nation's political history.

The deplorable sight of men who were stripped of their rights during the authoritarian regime advocating the same punishment for someone who has committed one single crime: believing he could change the country's system and modernize Brazil's incipient democracy, made me more than uncomfortable; it saddened and shamed me.

I do not know what they want from me. I suppose they want what they have wanted in the past under similar circumstances: more power. They undoubtedly want to have the right to punish the president of the nation as a way of telling the nation and the generations to come that they are the unerring guides of the fate of all Brazilians, above and beyond the law and the Constitution.

Just as I did not accept a process during which my defense has been continuously and systematically curtailed, my dignity as a citizen and a public person does not allow me to bow to a verdict that violates the most basic principles of justice.

The Brazilian Constitution has been rudely violated once again on behalf of longstanding hates that seem to never go away. Faced with actions that mark a case of harassment that has no precedent in the civilized world, I stand up in defense of the best Brazilian traditions and repudiate violence. I have just instructed my lawyers to once again knock on the doors of the Federal Supreme Court because, to paraphrase that unforgettable example of Brazilian history, I dare tell my executioner that there are still judges in Brazil.

I trust that Brazilian justice will thwart the attempt to strip me of my office, which is no longer possible because I already have resigned, and of my political rights, which I hope will be preserved by this country's highest court.

This is the least one can aspire to after having governed Brazil with dedication, enthusiasm, and serenity,

without persecuting anyone and strictly complying with the law as dictated by my temperament and training.

As God is my witness, I harbor no hate or resentment in my heart, which is why I have always expected from my accusers, now my self- appointed judges, the justice to which all of us are entitled without exception.

I wish all Brazilians a happy new year and better days for our fatherland. Thank you very much and I will see you later.

Justice Rules Collor Must Notify of Trips Abroad

PY3112020492 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 30 Dec 92

[Text] Federal Supreme Court [STF] Justice Sepulveda Pertence has ruled that former President Fernando Collor cannot leave the country without notifying the court. Justice Pertence ruled against preventive custody for Paulo Cesar Farias, former presidential secretary Claudio Vieira, and driver Roberto Maciel. We have a live relay from Brasilia by Alexandre Garcia.

[Garcia] On 12 December, the prosecutor general asked for the preventive custody of Farias, Vieira, and Maciel because they had threatened a witness: driver Eriberto Franca. The prosecutor general reiterated his request yesterday. Acting STF Chairman Sepulveda Pertence turned down the request for preventive custody but ruled that all the people involved in that investigation, including the nation's former president, must notify the court before leaving the country. Pertence issued a warning: Preventive custody may be ordered at any time and may be used to secure extradition in case of unauthorized trips abroad.

I also found out just a while ago that any attempt the former president may make to appeal the Senate's decision does not have a chance. Out of 81 senators 73 voted to go on with the trial, even after Collor resigned, and stripped the former president of his right to hold public office for eight years.

The STF will base its rejection of any future appeal Collor may submit on the express constitutional provision that impeachment trials are conducted by the Senate, not the courts; this provision does not stipulate any recourse to the Senate's decision.

Government Declares 'War on Drug Trafficking'

PY3112003192 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 30 Dec 92

[Text] The government will sternly fight drug trafficking. President Itamar Franco wants to end Brazil's reputation of being a stopover on the international cocaine trafficking route.

The government declared war today on drug trafficking and drug consumption. President Itamar Franco signed a decree instituting 1993 as the national antidrug year. Beginning in January, he will launch a campaign including advertisements in the media and efforts to increase the number of federal and highway policemen.

Justice Minister Mauricio Correa said President Itamar Franco is very concerned about the issue and will do his best to reduce drug consumption and trafficking in Brazil.

[Begin Correa recording] Brazil is currently known as a stopover on the cocaine trafficking route. It is a drug traffickers' stopover. We are not the only ones to worry about this issue. Countries that receive drugs also are concerned, particularly Germany, the United States, Canada, and France, among others. [end recording]

The justice minister also said the government will find ways to obtain funds to reequip the Federal Police with boats, helicopters, and ultra-light planes to patrol the national borders. In 1992, police seized 2,201 kg of cocaine and almost 20 tonnes of marijuana in Brazil.

Chile

Silva Cimma on Brazilian President Resignation

PY3012175492 Santiago Radio Cooperativa Network in Spanish 2200 GMT 29 Dec 92

[Text] Asked about former Brazilian President Fernando Collor de Mello's resignation, Foreign Minister Enrique Silva Cimma stated that it is an example of the administrative corruption that affects some Latin American governments.

Collor de Mello's involvement in serious corruption in his country led him first to be suspended as president of the republic and finally removed from office. He was forced to resign in light of the investigation conducted by a court of justice.

Silva Cimma pointed out in Santiago that Collor de Mello's resignation by no means affects the ties of friendship between Chile and Brazil.

Referring to Collor de Melo's resignation, Silva Cimma said that corruption is one of the main concerns of the hemisphere.

Chile, Iran Call for More Parliamentary Links

LD3012173692 Tehran IRNA in English 1008 GMT 30 Dec 92

[Text] Tehran, Dec. 30, IRNA—Iran and Chile called for expansion of parliamentary relations as a step to promote bilateral ties.

Iran's Ambassador to Chile 'Abdol Qasem Delfi, in a meeting with Chilean Parliament Speaker Khoseh Antoniyo Viera Gau, in Santiago Tuesday briefed him on Tehran's views on regional and international issues. He also voiced Tehran's desire to have expanded and creative relations with Third World and Latin American countries, including Chile.

Welcoming the establishment of political ties between the two countries, Viera Gau called for more orientation contacts and economic ties.

Air Force Studying Purchase of U.S. Fighters

PY3012195592 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 29 Dec 92

[Text] After a ceremony at the Arturo Merino Benitez Airport to mark the 47th anniversary of the founding of Air Group 10, General Ramon Vega, the Air Force commander in chief, stated that the Air Force is studying whether to streamline its fleet of fighters by buying sophisticated U.S. aircraft.

Asked about the possible involvement of a former Air Force NCO in the murder of the three communist leaders, Gen. Vega said the courts are dealing with the case.

Poll Shows Government, PPD Have 'Gained Prestige'

PY3012221192 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 29 Dec 92

[Text] Christian Democratic Party [PDC] presidential hopeful Eduardo Frei is twice as popular as Socialist Ricardo Lagos. This is reflected in the latest poll conducted by CEP-Abimarc, made public today.

A total of 1,800 inhabitants of 13 cities who were polled represent 59 percent of the Chilean population. The CEP-Abimarc poll was conducted between 27 November and 20 December when the two presidential hopefuls of the Coalition of the Party for Democracy [CPPD] were engaged in their electoral campaign.

According to the poll, if the elections were held on 3 January, Senator Eduardo Frei would be elected president. Frei is twice as popular as Socialist Ricardo Lagos.

The rightist representatives appear to be less popular, together with Communist leader Gladys Marin.

Regarding the PPD presidential hopefuls' increasing popularity, the poll shows that Eduardo Frei, who in August enjoyed the support of 28.3 percent, now has the support of 38.5 percent, while Lagos, who in August had the support of 15.1 percent, now enjoys the support of 17.2 percent. As we can see, Frei's popularity grew more than Lagos'.

The citizenry believes that Andres Allamand is the most capable opposition candidate.

The poll also revealed that Deputy Evelyn Matthei lost popularity significantly after the espionage scandal, and that Sebastian Pineira's popularity barely grew.

Once again a great majority voiced their support for President Patricio Aylwin's administration. The number of those who are indifferent is higher than the number of people who criticize the current government.

President Aylwin is also the most popular individual in the entire political spectrum. The poll also reflects a significant difference between the support for the PDC and the remaining political parties.

The poll results are overwhelming. According to experts, the rightist sector has lost support while the government and the PPD have gained prestige that, in sum, results in political stability for Chile.

Colombia

Gaviria Gives Address on Economy, Terrorism

PA3112142692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0035 GMT 31 Dec 92

[Speech by President Cesar Gaviria in Santa Fe de Bogota—live or recorded]

[Text] Colombians: These days are propitious to make an assessment of the achievements made over the year and to set forth the plans and goals for building a better future. I want to invite you to dedicate a few minutes to reflecting on Colombia's present and future. We know well that all of us can contribute to the greatness, progress, and peace of our country; that through the collective efforts of 30 million Colombians, this nation has managed to face the most complex adversities and forge ahead despite the acts of its enemies.

I do not want to abuse your time by making an extensive account, filled with figures that sometimes on their own, explain nothing about the country's situation. I wish to review the developments of 1992 and explain what I think they represent in our history. I also wish to talk about the year that is about to start. The harshest summer in Colombia's history, combined with decades of ineptness, lack of planning in the electricity sector—and why not say it—of corruption and negligence, forced us, at the beginning of this year, to decree the most severe electricity rationing this country has ever faced. The patience and cooperation of all of you in this difficult process is unparalleled.

We all knew the country could not stop its trek forward. Thanks to the drive of everyone, including businessmen, workers, small industrialists, small businessmen, and merchants, the rationing did not lead to paralysis and stagnation. Quite the contrary, there was dynamism and growth. Colombians had a surplus of energy and could not be defeated by the electricity crisis.

We imposed a severe emergency plan and an ambitious plan to expand the electricity sector. El Guavio Plant, with its first 200,000 kilowatts, is already operating. In a few weeks, a second unit with a similar capacity will be in operation. We are already connected with Venezuela and the reconditioning of thermal plants is starting to yield results. We started to overcome this difficult crisis, which has tested the state's ability to face adversity.

We will not only overcome the rationing. The expansion plan seeks to prevent us from facing a similar situation in the future. Two years ago many people doubted the benefits that the internationalization and opening up of our economy would produce. The year that is about to end has shown that the opening up and modernization of our economy benefited an immense majority of Colombians. Growth was higher than expected, more jobs were created, and inflation was contained. Today we have more production, exports, imports, private investment, and expanding companies than in 1991.

That is good news, and who can doubt it. Inflation, which mainly affects the less favored segments of society, has been contained. When we assumed power in 1990 it stood at 31 percent and has dropped to 25 percent this year. It will continue to drop in 1993. What is important is that we are controlling inflation without sacrificing economic growth. This year growth will be above 3 percent and we trust that the Colombian people's determination to progress, their hard work and perseverance, coupled with the opening policy and an adequate economic policy, will guarantee a growth rate of about 5 percent next year.

I am convinced that if the economy grows, all Colombians will benefit. If we export more there will be more work and opportunities. If we continue to create businesses and small businesses, to open up trade, and to promote industry, we will—in the short-term—definitely become a country that will have left poverty behind.

As the Colombian economy is growing stronger and conquering new markets, a profound revolution in the social sector is bearing its first fruits. Colombians, led by the government, are now investing much more in social programs. Years ago only 10 centavos of each peso invested by the state was earmarked for improving living conditions for the less fortunate segments of the population. With the shake-up we are promoting, today we are spending 25 centavos of each peso. That means that in the four years of this administration we will have invested about 10 billion pesos in health, housing, education, and in the well-being of our people.

The way we are applying our social policy is changing. We are no longer giving simple social assistance to the poor and the helpless. The idea now is for the state to contribute its resources to promote community actions that will allow the people—that is, you—to become masters of your own fate. This model requires citizen cooperation and represents a transition from a paternalistic and wasteful state to a promoter state. We are struggling successfully against inequity, destitution, lack of opportunities, and a poor future. We are working optimistically, and we will win this battle.

There is another area in which we have made important progress; the war against a scourge that affects most contemporary societies. I am referring to corruption. The government and its control institutions, such as the Attorney General's Office and the Comptroller General's Office, have established a common front to expedite investigations in critical areas of the public sector affected by corruption. In two years we have increased by more than 150 percent the investigations of and firing of officials linked to corruption at national institutions.

In the institutions that are traditionally more affected by corruption, such as the National Social Welfare Institute, Customs Office, Colombian Foreign Trade Institute, and Tax Office, we have implemented profound reorganizations to rid them of the crooked and inefficient.

Allow me now to talk about certain things that the new Constitution has introduced into our institutional life. For example, today there is no doubt that man's basic rights are being effectively protected by the petition for protection, which has won the support of Colombians and has consolidated the power of judges as defenders of human dignity.

You have seen how common men and women who feel that their rights have been violated have found effective protection under the new Constitution. The new justice institutions are another example of how the new constitution is changing Colombians' lives. The Prosecutor General's Office, which is headed by an exemplary Colombian, namely, Gustavo de Greiff, has shown that it is possible to trust our justice system again and that we are at last seeing the light at the end of the tunnel of impunity. No less important are the paths opened by the new Constitution that allow the people to participate directly in national life. For example, participatory democracy has ensured that the clamor of millions of Colombians for a tougher fight against kidnapping was heard by Congress. A bill promoted by the Free Country Foundation against this monstrous scourge, which is affecting thousands of compatriots, is today a law.

How can we not mention the administrative shake-up? The president of the Republic was authorized to merge, eliminate, and reorganize ministries, administrative departments, superintendencies, and national decentralized institutions. The entire government worked, in keeping with these constitutional duties, for 18 months and presented decree-bills for the consideration of a high-level commission created by the constituent assembly. All commission members, with great seriousness, intensity, and dedication, analyzed and enriched the government initiatives in many sessions.

The government has issued more than 70 decrees and has practically reformed all areas of the national executive branch. This is undoubtedly the largest and most important administrative reform carried out since President Carlos Lleras Restrepo's administration.

The following is a general idea of the reform's characteristics and the goals sought: First, the reforms are intended to rid the state of so much bureaucracy, make its services more efficient, and provide more prompt attention to the communities. They also sought to stop the administration from squandering taxpayers' money

as such waste is detrimental to the social investments and infrastructure urgently needed to improve Colombians' living conditions.

The state will no longer participate in 22 entities. Several will be abolished and liquidated. Some will be reduced or incorporated into others that already exist. Still others will be reorganized. Payrolls will be reduced, and nonessential personnel will receive fair and timely compensation. In sum, 75 billion pesos will be paid in compensations within a two-year period.

This effort will help us have more efficient entities that dutifully follow constitutional guidelines. Once compensations are paid, we will save approximately 52.7 billion pesos per year. Those funds were previously allocated for operations and bureaucratic procedures. The savings represents 40 percent of the budget for investments in the health sector; one-fifth of the budget for investments in the education sector; and one-third of the security budget.

A second goal of the reforms is to achieve progress in the strengthening of municipalities and departments. The ministries will now provide financial and technical support so departments and municipalities can fulfill their new responsibilities. Thus we are also taking a giant step in the decentralization process.

Third, the shake-up also seeks to reduce tiresome and unnecessary bureaucracy. Ministers and heads of every entity have received instructions to list all unnecessary steps that are now forbidden by the constitution, eliminate them at once, and present a public report on the results.

This administrative reform has also been achieved thanks to the new Constitution. It clearly specifies constitutional mandates to build a state that is efficient, decentralized, sensible to citizens' urgent needs, free of bureaucracy, and open to citizen participation. All of this is a continuation of the plans that Congress has already passed into law. Given their enormous importance, we must mention some of them: the Office for the Defense of People's Rights, the higher education system, the law to prevent kidnappings, the divorce law, the new nationality law, the central bank statutes, the financial sector law, the law paving the way to make cellular phones a reality, and the administrative career law.

The government has not neglected for a single moment its obligation to change Colombians' life. The country had not seen such a large number of reforms in decades. I am sure that our achievements in the institutional sector will strengthen us and allow us to meet the challenges of the 21st century with a modern and efficient state dedicated to serving the people. I know the people support us in this enterprise for renewal and change.

It is certainly a paradox that while the country is defeating the most difficult obstacles with courage and hard work, and while the people are exerting themselves to the utmost, preparing our institutions and economy to face the challenges of the 21st century, a handful of obsolete and violent people dedicate themselves with historical blindness to sowing death and destruction. Colombian democracy and world evolution have left the armed struggle without arguments. A civilized competition in politics and the participation of our people have shown that they can change reality more effectively than bullets.

All the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation] have left is the stubbornness with which they cling to their weapons and violence. Blood and death are their sole argument. They no longer motivate anybody. They can only intimidate and abuse people. Today no one believes that they represent a better future for Colombia. Their revolution is that of the car bomb, of burned peasants. Their insurgency is that of maimed students, environmental disasters, destroying the country's infrastructure, kidnapping, drug trafficking, and extortion. As a result of this, they have rejected the generosity of Colombians. These criminals are not interested in dialogue. They are interested only in taking advantage of their foul privileges.

The government and the public force are tirelessly and successfully pursuing terrorist guerrillas and narcoterrorists with the renewed solidarity of the Colombian people. We did it throughout this year and we will continue doing it next year, with the support of the citizens. We now have new weapons that are demonstrating their efficiency. I am referring to the measures that have been adopted thanks to the powers given to the national government by the declaration of internal disturbance.

Despite the frustration we all felt when well-known drug traffickers escaped from Envigado jail, the results attained by justice this year have shown it to be an efficient mechanism for putting the most dangerous members of organized crime in jail. In addition to the victories obtained by our authorities in the struggle against drug trafficking—solidarity and information from the citizenry has been especially important in this endeavor—we must add that justice has taken great strides in making criminals pay for the crimes they have committed.

We still have a long way to go before we can say that public order has been established once again. We can say, however, that thanks to the citizens' solidarity, we are advancing in the right direction with firm and solid steps. We must not be tricked. The terrorists reflect the hopelessness of their isolation and defeat when they resort to such desperate actions as car bombs and attacks on innocent people.

The country has not only advanced in domestic matters. Colombia has also had big victories in the international sphere during the 1992. First, the integration with Venezuela was consolidated. The economic integration has

enabled the country to increase significantly its opportunities to sell, buy, and conduct business with our most important neighbor. Something similar is happening with Ecuador and Bolivia. We will also liberalize trade with Mexico, Chile, Central America, and the Caribbean in 1993. This is the good news. It is increasingly easier for Colombians to take our products to international markets.

The government worked closely with the National Federation of Coffee Growers in the negotiation of a new international coffee agreement during 1992. We hope the negotiations will end satisfactorily and that coffee prices on the world market will improve in 1993. The government has worked hard and will continue to do so to benefit the millions of Colombians who work in this field.

Colombians, we are going to win the struggle to attain social justice. We are going to win our battle against poverty, underdevelopment, and corruption. We are going to improve our quality of life and that of our children. I want to wholeheartedly wish each and every one of my compatriots a prosperous 1993. We will find the magic that makes countries big and prosperous when we think about Colombia every day and become aware that the country's future depends on what its citizens do for it. Not one day of 1993 should go by without doing something for the country. We have to be convinced that we have a common future and that peaceful progress awaits those who have the courage to seek it. Thank you and have a happy new year.

Escobar Associate Captured; Implicated in Attacks

PA3112000992 Madrid EFE in Spanish 2337 GMT 30 Dec 92

[Text] Santa Fe de Bogota, 30 Dec (EFE)—Journalists have reported that John Jairo Posada ("El Titi"), one of the closest collaborators of confessed drug trafficker Pablo Escobar following the latter's escape from prison in Envigado in July, was captured on 30 December.

"El Titi" is accused of directing the terrorist attacks that have taken place in recent weeks in Medellin that have resulted in the deaths of approximately 70 policemen.

He was captured in the luxurious residential area of El Poblado, south of Medellin, where police Elite Corps assault groups conducted a raid. There was no resistance or armed confrontation, Radio Cadena Nacional reported.

* Circumstances of Galan Capture Described

93WR0089Z Santa Fe de Bogota SEMANA in Spanish 8 Dec 92 pp 38-41

[Article: "The First Blow"]

[Text] At 1100 on 3 December, 12 Unase [expansion not given] agents broke into a residence in the El Diamante I area northeast of Bucaramanga, Francisco Galan, the third man in the Army of National Liberation's [ELN] chain of command, was there alone. He was sitting on the edge of his bed. His hair was long, his eyes bloodshot, and he looked disoriented. He seemed to be drunk. He tried to stand up, but was unable to. He collapsed on the floor, and before one of the agents could tell him he was under arrest, Galan stammered out a few words to say that he surrendered.

Seconds later, in an armored van escorted by 20 soldiers, he was taken to the facilities of the Fifth Brigade. There he was shut up in a 2 x 2-meter cell. As he could not stand up, two soldiers helped him to change his canvas pants and blue shirt for a black and white striped outfit prepared for the occasion, a costume similar to what Abimael Guzman, the head of Shining Path, wore on the day the Peruvian Government showed him off to the world press.

Later, a forensic specialist took some blood and urine samples to determine if his deplorable condition was due to the effects of alcohol or drug use. Several hours later the test results showed that the third man in the ELN's chain of command was not drunk, but drugged. He had ingested massive amounts of cocaine and marijuana.

While Francisco Galan was sleeping off his hangover in one of the Fifth Brigade's cells, the authorities began a race against time to verify the true identity of the man they had arrested in Diamante I. His new look—sporting a beard and long hair—plus his emaciated appearance, had made them wonder, especially when they found that he was a drug addict. So they asked the National Registry for his fingerprints. While the identification process was moving ahead using the fingerprints, a secret witness in Bogota who had known him for a long time immediately went to Bucaramanga to help with identification. This witness said that the Galan he knew had no beard or long hair.

As soon as Galan woke up, he was ordered to shave and a soldier cut off his hair. After that, identification was a matter of seconds. This prisoner was Mario Pieschacon Negrini, alias Francisco Galan, 51 years old, 22 of which he had spent engaged in guerrilla activities. He is 1.65 meters tall, with a degree in philosophy and literature from the University of Caldas. With this information, at 1900 last Thursday the news of his arrest was released.

On His Trail

The arrest of the third-ranked man in the ELN was not a matter of luck. It was the result of an effort that began a month ago. The arrival of Mobile Brigade II in the Santander area to deal with the offensive begun by Father Manuel Perez and his men led to the start of an intelligence job that enabled the Army's Fifth Brigade to put two and two together. They learned the movements of the most important men in this subversive group. Their first step was to penetrate the ELN's organization.

This they did with the aid of informants who, in exchange for rewards, agreed to collaborate with the Army.

That was how they learned where Father Perez, Francisco Galan, and Gabino were. They were working in an area called the "Golden Triangle," consisting of the towns of Abrego, Aguachica, and Sabana de Torres. The three towns form the cornerstone of an area in which the ELN moves about as easily as a fish in water, throughout which they have woven their networks of extortion, kidnapping, and protection rackets. The three guerrilla leaders came to this area a month ago to restore order to their house, as two of their top people—Manuel Gustavo Chacon and Claudia Isabel Escobar—had begun internal fighting. On each side, accusations were flying back and forth about falsifying accounts for the funds that were supposed to be turned over from kidnappings and protection rackets.

Father Perez, Galan, and Gabino went there, and they were followed by the Mobile Brigade soldiers who set up an operation which in the end did not produce the desired results, as the three men managed to flee. A week later, Gabino and Galan were spotted in Sabana de Torres, when they both were seen inspecting the reversion of oil wells to Ecopetrol [Colombian Petroleum Enterprise] by Esso. Two informants gave reports on the whereabouts of the two men, but when Unase members got there it was too late. During the last two weeks they lost the trail of the three ELN members. Then last Thursday at 1000 they had another report. A man had called the Fifth Brigade providing information on the exact place where Galan could be found. This time things came out well. A half hour later the operation had ended successfully.

The Other Side of the Story

Both drugs and sex are involved in this story of Francisco Galan's capture. The authorities have reason to believe that Galan had been involved in a sexual relationship for the past few years. According to tapes and videos now in the hands of the prosecutor's office, this was a homosexual relationship with a friend whom Galan had met seven years ago. They first met on a Sunday evening in a park in Bogota.

After that first meeting they maintained very close relations and for a long time lived together periodically, whenever the guerrilla leader's activities enabled him to do so. According to intelligence reports, every month Galan sent his friend expensive gifts ranging from jewelry and household appliances to cars. Every month he sent him a check for about 1 million pesos. Before going to Caracas for the first phase of the talks with the government, Galan gave him a car, which he later traded in for a van.

In recent months, however, things had soured. The friend tired of Galan because, according to his statement, Galan became very violent whenever he used drugs. This tragic love story is described in a 30-minute video in which the young lover gives a detailed account of his adventure with the third man in the ELN command. This evidence has been turned over to the Santander Regional Prosecutor's Office and will be used by the prosecution in Francisco Galan's trial. The informant was taken last Friday from Bucaramanga to Bogota at 1907, amidst a spectacular operation in which about 200 soldiers, three helicopters, and an Air Force Hercules aircraft took part. This plane, with its motor running, was waiting for him on the runway of Palonegro Airport in Bucaramanga. At 1945 it landed at the Catam base in Bogota, from where he was taken to a DAS [Administrative Department of Security] cell.

Implications

At the end of the week, the true significance of this seizure was still unclear. This was the first major blow against the ELN since the days of the Vasquez Castano brothers in Anori in the early 1970's. The first evaluations were more a matter of style than substance, a sort of rough copy of what Peru did after the capture of the top Shining Path leaders, who were paraded before the press in a spectacle of false cells and prison garb previously only seen in Disney cartoons.

In the case of Francisco Galan, his presentation to the press "a la Abimael Guzman" is part of a certain glorification that the authorities have made of this strike against the ELN leadership. Three weeks after it declared an all-out war against the guerrillas, the government needed a prisoner to show off. Galan came just at the right time.

Galan is obviously not Abimael Guzman, but even so his capture is still very important because of its psychological significance both for the nation as a whole and for the Armed Forces. For the nation, because people did not believe this type of capture was possible, and for the Armed Forces, because this marked their first major triumph less than a month after the police massacre in Putumayo department, which put an end to the government's patience.

However, apart from the psychological plane, it also has military and operational significance, for losing Galan will be costly for the ELN. He was the third man in the chain of command after Father Manuel Perez and Gabino. He was considered the originator of the strategy of waging war not so much against the government as against the national economy, through terrorism against the nation's petroleum, communications, and transportation infrastructure. Not in vain was he in charge of representing the ELN in the Caracas talks last year, where he openly declared in a press conference that his group was involved in kidnapping and blowing up the pipeline.

In addition to his weight in the group's theoretical sphere, he was considered a leader of major operations. He was the brain that organized the kidnapping of the daughter of Senator Rafael Forero Fetecua, for whom a $3 million ransom was paid. In Caracas, the Venezuelan

press accused him of using the negotiations to collect huge ransoms for half a dozen Venezuelan ranchers who were kidnapped on the border. In the multinational business community, there are few people who have not heard of him. He negotiated huge extortion payments and kidnap ransoms of foreign businessmen. He has recently been involved in directing plans to sabotage the nation's road transportation structure in northeastern Colombia.

People familiar with the ELN's internal operations agree that Galan is known to be inflexible in dealing with people he considers enemies of the organization. The authorities have reports that his opinion was decisive in the Central Command's decision, three years age, to assassinate the bishop of Arauca, Monsignor Jesus Emilio Jaramillo. There are also serious indications that he was behind the threat to blow up the offices of the Bucaramanga daily VANGUARDIA LIBERAL and to kill its directors for refusing to publish the ELN's communiques.

The reaction of the ELN leadership to Galan's capture clearly confirms the importance of this blow. A radio communication intercepted on Friday morning from Father Manuel Perez to his commandos reveals that Galan was a man in the forefront of the organization. The tone of the speech also confirms what some sources said from the beginning: that Galan was a sort of spoiled child of the head of the ELN. Moreover, the sending to Bucaramanga, by order of the top leaders of the organization, of a terrorist commando to place bombs and sow panic in the Santander capital a few hours after this arrest is a response that clearly shows the value the ELN places on its number three man.

This does not include the effect that the revelation of some details of this capture may have both inside and outside the terrorist organization. On one side are the medical tests proving that Galan had consumed marijuana and cocaine. There is also the account of his homosexual relationship with a close friend, apparently the same man who betrayed him.

So there are no doubts that Galan's arrest has great significance. However, as this is barely the first strike of this type against the ELN and in general—against the Guerrilla Coordinating Group, the Colombian people know that they will only be able to claim victory in the antiguerrilla fight when the subversive leaders jailed and clad in prison garb can no longer be counted on the fingers of one hand.

Ecuador

New Information, Tourism Minister Appointed

PA3012145592 Quito Voz de los Andes in Spanish 1100 GMT 30 Dec 92

[Text] Carlos Vera has been appointed new minister for information and tourism to replace Pedro Zambrano Izaguirre, who passed away. Vera, who was a personal friend of the now deceased Zambrano, works closely with President Sixto Duran-Ballen. The second information minister in the current government, Vera will have to continue the efforts to reincorporate Ecuador into the world tourism plan.

Paraguay

Argentina Seeks 'Patience' on Statistics Tax

PY3012220892 Asuncion ABC COLOR in Spanish 29 Dec 92 p 13

[Text] Industry Vice Minister Ruben Fadlala has stated that, at the Mercosur [Common Market of the South] summit in Montevideo yesterday, the only thing Argentina did was "to ask us for patience" over the Statistics Tax [Tasa Estadistica]. He added that no solution to the problem was reached. At the five-hour presidential summit, a common foreign tariff of between 0 and 20 percent was established for Mercosur countries. It will go into effect in 1995.

Fadlala explained: "Argentina did not give us a positive answer, therefore the normal procedure will apply. The Paraguayan proposal (that the Statistics Tax should be eliminated) is now in the hands of the Common Market Group of the Mercosur [Grupo Mercado Comun del Mercosur] which must reach a decision within 60 days. Their decision must be respected by the country in question (Argentina)."

The Common Market Group of the Mercosur is made up of the vice ministers of the four countries (Paraguay, Argentina, Brazil, and Uruguay). It submits its decisions to the Mercosur Council, which is made up of the presidents and ministers.

The Statistic Tax, which was increased from 3 to 10 percent last October is an internal Argentine tax on imports. This increase has adversely affected Paraguayan exports to Argentina, especially some sensitive products like meat, wood, furniture parts, Acepar [Paraguayan Steel, Inc.] products which are used for construction, and others which can no longer successfully compete on the Argentine market.

Fadlala stated: "The increase directly violates Article 2, Paragraph A of Annex 1 of the Mercosur Treaty."

Paraguay has often asked Argentina at different official levels to eliminate the Statistics Tax on the grounds that it violates the Asuncion Treaty which established the Mercosur. These requests have never yielded positive results, just like what happened at the latest Mercosur summit in Montevideo.

Fadlala attended the Uruguayan summit as part of the Paraguayan delegation. He explained that the Statistics Tax issue is no longer a problem for Paraguay alone, it is now a problem for the Common Market Group. He said: "A ruling must now be made within 60 days."

He said that Paraguay reported this violation of the Mercosur Treaty, asking for it to be immediately corrected and for the countries that may have been harmed by it to be properly compensated.

Should the accused country (in this case Argentina) refuse to comply with the ruling of the Common Market Group, the case will go to international arbitration.

The industry deputy minister stated that the problem was discussed at all levels of the Mercosur summit yesterday: "It was discussed at the top level (presidents), at the middle level [ministers] and at the lowest level, meaning us [deputy ministers]."

He added: "Unfortunately we received no offers or counteroffers. All they did was ask us for patience."

Fadlala explained that Paraguay is awaiting a favorable response from the Common Market Group of the Mercosur, adding that from now on Brazil will take a firm position on this issue. He stated: "Brazil has said that if we take action, they will also apply pressure in the same direction (as Paraguay). Unfortunately, this will make things more difficult for Argentina."

Wasmosy Asks Electoral Board To Annul Elections

PY3112022592 Asuncion ULTIMA HORA in Spanish 30 Dec 92 p 5

[Excerpt] Wasmosy-Seifart ticket representative Juan Crisostomo Gaona this morning asked the ANR [National Republican Association, Colorado Party] Electoral Board to annul the Colorado Party primary election held on 27 December.

Gaona also requested that the Electoral Board suspend the definitive vote counting still under way, check the voters' lists, and order another round of elections.

The reasons for requesting the election's annulment are alleged forgery of the voters' list, pressure exerted on voters on election day, and violence against voters, among others. [passage omitted]